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# **CERNO INVESTMENT FUNDS ICAV**

(An Irish collective asset-management vehicle with variable capital constituted as an umbrella fund with segregated liability between sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended))

## **PROSPECTUS**

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**DATED 24 JANUARY 2024**

## IMPORTANT INFORMATION

The Directors of Cerno Investment Funds ICAV (the "ICAV") whose names appear under the heading "Directory" jointly accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

This Prospectus describes the ICAV, an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds was registered as an Irish collective asset-management vehicle pursuant to the Act on 29 June 2017. The ICAV is constituted as an umbrella fund insofar as the share capital of the ICAV will be divided into different Shares with one or more Classes of Shares representing a separate Fund comprising a separate pool of assets and which pursues its investment objective through separate investment policies.

Each Fund may be further divided into Shares of different Classes to accommodate different subscription and/or redemption charges and/or minimum investment initial subscription amounts and/or dividend and/or charges and/or fee arrangements and/or denomination currencies and/or currency hedging strategies. A separate pool of assets will not be maintained for each Class. At the date of this Prospectus, the ICAV comprises the following Fund: Cerno Select (Dublin) Fund. Details of the Fund and its Classes will be specified in the relevant Supplement to the Prospectus.

This Prospectus may be translated into other languages and such translations shall contain only the same information as this Prospectus may be attributable to individual Share Classes. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the law of Ireland.

## INVESTOR RESPONSIBILITY

**Prospective investors should review this Prospectus carefully and in its entirety and consult a stockbroker, bank manager, solicitor, accountant or other financial advisers in relation to (i) the legal requirements within their own countries for the purchase, holding, exchange, redemption or disposal of Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, exchange, redemption or disposal of Shares; and (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Shares. Prospective investors should seek the advice of their legal, tax and financial advisers if they have any doubts regarding the contents of this Prospectus.**

Certain terms used in this Prospectus are defined under "Definitions" below.

## AUTHORISATION BY THE CENTRAL BANK

**The ICAV is authorised by the Central Bank as a UCITS within the meaning of the Regulations. The authorisation of the ICAV as a UCITS by the Central Bank is not an endorsement or guarantee of the ICAV by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. The authorisation of the ICAV by the Central Bank shall not constitute a warranty by the Central Bank as to the performance of the ICAV and the Central Bank shall not be liable for the performance or default of the ICAV.**

## Investment Risks

There can be no assurance that a Fund will achieve its investment objective. An investment in a Fund involves investment risks, including possible loss of the amount invested. **In view of the fact that a sales fee or a redemption fee may be payable on a subscription or redemption by an investor in a Fund the difference at any one time between the sale and repurchase price of shares in the Fund means that the investment should be regarded as a medium to long term investment.**

Details of certain investment risks and other information for an investor are set out more fully in this Prospectus.

## **DISTRIBUTION AND SELLING RESTRICTIONS**

The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares, pursuant to this Prospectus or the Application Form, to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

Distribution of this Prospectus is not authorised in any jurisdiction unless accompanied by a copy of the then latest published annual report and audited accounts of the ICAV and, if published after such report or annual report, a copy of the latest semi-annual report and unaudited accounts. Such reports and this Prospectus together form the prospectus for the issue of Shares in the ICAV.

This Prospectus has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the ICAV, and should not be reproduced or used for any other purpose. Notwithstanding anything to the contrary herein, each investor in the ICAV (and each employee, representative, or other agent of each investor in the ICAV) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of an investment in the ICAV and all materials of any kind (including opinions or other tax analyses) that are provided to the investor relating to such tax treatment and tax structure. Acceptance of this Prospectus by a recipient constitutes an agreement to be bound by the foregoing terms.

The Instrument of the ICAV gives powers to the Directors to impose restrictions (but not the obligation) on the holding of Shares by (and consequently to effect the redemption of Shares held by) or the transfer of Shares by any person or persons in circumstances (whether directly or indirectly affecting such person or person, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which in the opinion of the Directors might result in the ICAV incurring any liability to taxation or suffering pecuniary disadvantage which the ICAV might not otherwise have incurred or suffered.

## **RELIANCE ON THIS PROSPECTUS AND ON THE KEY INVESTOR INFORMATION DOCUMENT**

Shares in the ICAV are offered only on the basis of the information contained in this Prospectus and Key Investor Information Document and, as appropriate, after publication of the first half-yearly report of the ICAV or, after publication of the first audited annual accounts of the ICAV, the latest audited annual accounts and any subsequent half-yearly report of the ICAV. These reports form part of the Prospectus. Any further information or representations given or made by any dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representations in connection with the offering of Shares in the ICAV other than those contained in this Prospectus and in any subsequent half-yearly or annual report for the ICAV and, if given or made, such information or representations must not be relied on as having been authorised by the ICAV, the Directors, the Manager, the Investment Manager, any sub-investment manager, any investment advisor, the Administrator or the Depositary.

Statements in this Prospectus are based on the law and practice currently in force in Ireland at the date hereof and are subject to change. Neither the delivery of this Prospectus nor the issue of Shares shall, under any circumstances, create any implication or constitute any representation that the affairs of the ICAV have not changed since the date hereof.

This Prospectus should be read in its entirety before making any application for Shares.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Instrument of the ICAV, copies of which are available as mentioned herein.

Distribution of this Prospectus in certain jurisdictions will require that the Prospectus be translated into other languages. Where such translation is required, the translated version of the Prospectus will accord in all respects with the English version.

**Shareholders should note that the Instrument permits the ICAV to impose a sales charge of up to a maximum of 5% of the Net Asset Value per Share to purchases. A redemption fee of up to 3% may also be chargeable. Details of any such charges intended to be imposed shall be set out in the relevant Supplement. In the event that such charges are imposed the difference at any time between the sale and repurchase price of Shares means that any investment in the ICAV should be viewed as being in the medium to long term. Prices of Shares in the ICAV may fall as well as rise. These charges may only be applied if provided for in the relevant Fund's Supplement.**

The ICAV and the Administrator have a responsibility to regulators for compliance with money laundering regulations around the world and for that reason, existing Shareholders, potential subscribers for and transferees of Shares may be asked for proof of identity. Until satisfactory proof of identity is provided by potential investors or transferees, either of the above reserve the right to withhold issuance of Shares or any transfer of Shares. In case of delay or failure to provide satisfactory proof of identity, any of the above may take such action as they see fit.

#### **IMPORTANT DISCLOSURES FOR U.S. PERSONS**

The Shares have not been registered under the U.S. Securities Act of 1933, as amended (the “**1933 Act**”), or the securities laws of any states or non-U.S. governmental authorities and are being offered and sold in reliance on exemptions from the registration requirements of the 1933 Act and such laws. In making an investment decision, investors must rely upon their own examination of the ICAV and the terms of this offering, including the merits and risks involved. The Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (the “**SEC**”), any state securities commission or any other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is unlawful.

There will be no public offering of the Shares in the U.S.

The Shares are subject to restrictions on transferability and resale and may not be sold, transferred, assigned, pledged, hypothecated or otherwise disposed of except as permitted under the 1933 Act and the applicable securities laws, pursuant to registration or exemption therefrom, and this Prospectus. Shareholders should be aware that they may be required to bear the financial risks of this investment for a substantial period of time.

The Investment Manager is not currently registered with the SEC as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended, although it or an Affiliate may elect or become required to register with the SEC in the future. Any such registration will not mean, however, that the SEC or any other regulatory authority will review or endorse this offering or will actively supervise the actions of the Investment Manager or the ICAV.

Notwithstanding anything herein to the contrary, investors (and their employees, representatives or other agents) may disclose to any and all persons, without limitation of any kind, the U.S. federal or state income tax treatment and tax structure of the offering and all materials of any kind (including opinions and other tax analyses) that are provided to investors relating to such tax treatment and tax structure. For this purpose, “**tax structure**” means any facts relevant to the U.S. federal or state income tax treatment of the offering but does not include information relating to the identity of the ICAV or any of its Affiliates or the issuer of any assets of the ICAV.

While the ICAV may be considered similar to an investment company, the ICAV is not registered as such under the U.S. Investment Company Act of 1940, as amended (the “**1940 Act**”), in reliance upon an exemption available to privately offered investment companies under the 1940 Act, and, accordingly, the provisions of the 1940 Act (which, among other things, require investment companies to have a majority of disinterested directors, require securities held in custody to be individually segregated at all times from the securities of any other person and to be marked to clearly identify such securities as the property of such investment company, and regulate the relationship between the advisor and the management company) are not applicable.

Cerno Capital Partners LLP will make available to any prospective Shareholder who is a U.S. Person the opportunity to ask questions of and to receive answers from the ICAV and/or its agents concerning the ICAV and the terms and conditions of this offering and to obtain any additional relevant information to the extent the ICAV possesses such information or can obtain it without unreasonable effort or expense.

Any U.S. Person who wishes to purchase Shares must satisfy the financial and other requirements that are set forth in the ICAV’s Subscription Agreement. Such requirements include, without limitation, that such U.S. Person qualify as an “accredited investor,” as defined in Rule 501(a) of Regulation D under the 1933 Act. The ICAV will operate either as a “3(c)(1)” fund or a “3(c)(7)” fund under the 1940 Act (the latter of which would require each Shareholder that is a U.S. Person to be a “qualified purchaser,” as defined in Section 2(a)(51) of the 1940 Act).

#### NOTICE TO RESIDENTS OF FLORIDA:

Pursuant to the laws of the State of Florida, if sales are made to five (5) or more investors in Florida, any Florida Shareholder may, at its option, withdraw, upon written (or telegraphic) notice, any purchase hereunder within a period of three (3) days after (A) the Shareholder first tenders or pays to the ICAV, an agent of the ICAV or an escrow agent the consideration required hereunder, (B) the Shareholder delivers its executed Subscription Agreement, or (C) the availability of that privilege is communicated to such Shareholder, whichever occurs later.

## DIRECTORY

### CERNO INVESTMENT FUNDS ICAV

**Directors:**

Joseph Joyce  
Brian Dunleavy  
Damian Keane

**Registered Office:**

The Exchange  
George's Dock, IFSC  
Dublin 1  
D01 W3P9  
Ireland

**Company Secretary:**

Walkers Corporate Services (Ireland) Limited  
The Exchange  
George's Dock, IFSC  
Dublin 1  
D01 W3P9  
Ireland

**Administrator, Registrar and Transfer Agent:**

Northern Trust International Fund Administration  
Services (Ireland) Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

**Manager:**

Waystone Management Company (IE) Limited  
35 Shelbourne Road  
Ballsbridge  
Dublin 4  
DO4 A4E0  
Ireland

**Investment Manager:**

Cerno Capital Partners LLP  
34 Sackville Street  
London  
W1S 3ED

**Depository:**

Northern Trust Fiduciary Services (Ireland)  
Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

**Legal Advisers as to matters of Irish law:**

Walkers (Ireland) LLP  
5<sup>th</sup> Floor  
The Exchange  
George's Dock, IFSC  
Dublin 1  
D01 W3P9  
Ireland

**Global Custodian:**

The Northern Trust Company, (London Branch)  
50 Bank Street  
Canary Wharf  
London E14 5NT  
United Kingdom

**Auditors:**

Grant Thornton  
24-26 City Quay  
Dublin 2  
Ireland

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## DEFINITIONS

In this Prospectus the following words and phrases have the meanings set forth below:

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"1933 Act"</b>                    | means the U.S. Securities Act of 1933, as amended;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>"1940 Act"</b>                    | means the U.S. Investment Company Act of 1940, as amended;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>"Act"</b>                         | means the Irish Collective Asset-management Vehicles Act 2015 as may be amended, and all applicable notices issued by the Central Bank or conditions imposed or derogations granted thereunder;                                                                                                                                                                                                                                                                                                                                                   |
| <b>"Administration Agreement"</b>    | means the administration agreement dated 15 December 2023 between the Manager, ICAV and the Administrator, as may be amended;                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Administrator"</b>               | means Northern Trust International Fund Administration Services (Ireland) Limited or such other company as may from time to time be appointed in accordance with the requirements of the Central Bank to provide administration and related services to the ICAV in Ireland;                                                                                                                                                                                                                                                                      |
| <b>"AIF"</b>                         | means alternative investment fund;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>"Anti-Dilution Levy"</b>          | means a provision for market spreads (the difference between the prices at which assets are valued and/or bought or sold) and other dealing costs relating to the acquisition or disposal of Fund assets in the event of receipt for processing of large subscription or repurchase requests (as determined at the discretion of the Directors) including subscriptions and/or repurchases which would be effected as a result of requests for exchange from one Fund into another Fund;                                                          |
| <b>"Application Form"</b>            | means the form approved by the Directors, which must be completed by investors wishing to subscribe for Shares;                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>"Auditors"</b>                    | means Grant Thornton or such other firm of registered auditors as may from time to time be appointed as auditors to the ICAV;                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Base Currency"</b>               | shall have the meaning specified in the relevant Supplement;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>"Business Day"</b>                | means a day (except Saturdays, Sundays and public holidays) on which banks in Dublin are open for normal banking business or such other day or days as may be specified by the Directors;                                                                                                                                                                                                                                                                                                                                                         |
| <b>"Central Bank Regulations"</b>    | <b>UCITS</b> means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as amended;                                                                                                                                                                                                                                                                                                                                                      |
| <b>"Central Bank"</b>                | means the Central Bank of Ireland or the successor thereof;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>"Class"</b>                       | means each class of Shares in the ICAV;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"Data Protection Legislation"</b> | means the Data Protection Acts, 1988-2018 (as may be amended or re-enacted) from time to time the EU General Data Protection Regulation, Regulation (EU) 2016/679, the effective date which is 25 May 2018, the European Union Electronic Communications Data Protection Directives (2002/58/EC and 2009/136/EC), the European Union (Electronic Communications Networks Services) (Privacy and Electronic Communications) Regulations 2011 (SI 336/2011) and all other applicable laws and regulations of any country from time to time relating |

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|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                | to processing of personal data and data privacy or analogous laws or regulations under other relevant jurisdiction including any jurisdiction in or from which the Manager receives any services;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>"Dealing Day"</b>           | shall have the meaning specified in the relevant Supplement;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"Declaration"</b>           | means a valid declaration in a form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D TCA 1997 (as may be amended from time to time);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>"Depositary Agreement"</b>  | means the depositary agreement dated 15 December 2023, between the Manager, ICAV and the Depositary as may be amended;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>"Depositary"</b>            | means Northern Trust Fiduciary Services (Ireland) Limited or such other company in Ireland as may from time to time be appointed as depositary of all the assets of the ICAV with the prior approval of the Central Bank;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>"Directors"</b>             | means the Directors of the ICAV for the time being and any duly constituted committee thereof;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>"Disclosure Regulation"</b> | means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>"Distributor"</b>           | means or such other entity, person, firm or company as may from time to time be appointed in accordance with the requirements of the Central Bank to provide distribution services to the Funds as specified in the relevant Supplement;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>"Dodd-Frank Act"</b>        | means the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>"Duties and Charges"</b>    | in relation to any Fund, means all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign exchange spreads, interest, depositary or sub-custodian charges (relating to sales and purchases), transfer fees, registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the relevant Fund or the creation, issue, sale, conversion or repurchase of Shares or the sale or purchase of Investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, which, for the avoidance of doubt, includes, when calculating subscription and redemption prices, any provision for spreads (to take into account the difference between the price at which assets were valued for the purpose of calculating the Net Asset Value and the estimated price at which such assets shall be bought as a result of a subscription and sold as a result of a redemption), but shall not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Shares in the relevant Fund; |
| <b>"EMIR"</b>                  | means the Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on over the counter (OTC) derivatives, central counterparties (CCPs) and trade repositories (TRs);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>"ERISA"</b>                 | means the US Employee Retirement Income Security Act of 1974;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

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|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"ESMA Guidelines"</b>         | means ESMA's Guidelines on sound remuneration policies under the UCITS Directive 2009/65 EC as amended from time to time, and the Alternative Investment Fund Manager Directive published on 31 March 2016 as may be amended from time to time;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>"ESMA"</b>                    | means the European Securities and Markets Authority and any successor body from time to time carrying out all or any part of the relevant functions thereof;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>"EU Member State"</b>         | means a Member State of the European Union;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>"Euro", "euro" and "€"</b>    | each means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>"Exempt Investor"</b>         | means any of the following Irish Residents: (i) the Administrator, for so long as the Administrator is a qualified management company as referred to in Section 739B TCA; (ii) a company carrying on life business within the meaning of Section 706 TCA; (iii) a pension scheme which is an exempt approved scheme within the meaning of Section 774 TCA, or a retirement annuity contract or Trust scheme to which Section 784 or Section 785 TCA applies; (iv) any other investment undertaking as referred to in Section 739B TCA or an investment limited partnership within the meaning of Section 739J TCA; (v) a special investment scheme as referred to in Section 737 TCA; (vi) a unit trust of a type referred to in Section 731(5)(a) TCA; (vii) a person who is entitled to exemption from income tax by virtue of Section 207(1)(b) TCA; (viii) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 784A(2) TCA in circumstances where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund; (ix) a specified company as referred to in Section 739B TCA; (x) a person entitled to exemption from income tax and capital gains tax by virtue of Section 787I TCA in circumstances where the shares are assets of a PRSA; (xi) a credit union with the meaning of Section 739B TCA; (xii) the Courts Service within the meaning of Section 739B TCA; (xiii) the National Treasury Management Agency or a Fund investment vehicle or the Irish State acting through the National Treasury Management Agency as referred to in Section 739D(kb) TCA; (xiv) the National Asset Management Agency; (xv) a company within the charge to corporation tax in accordance with Section 110(2) TCA; or (xvi) any other person resident in Ireland who is permitted to own Shares under Irish taxation legislation or by practice or concession of the Irish Revenue Commissioners without requiring the ICAV to deduct appropriate tax in respect of any payment to a Shareholder or the transfer by a Shareholder of any Shares, and in each case in respect of whom the ICAV is in possession of a Declaration, as applicable; |
| <b>"FDI"</b>                     | means financial derivative instruments as described herein and used by the ICAV from time to time;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"Fund" or "Funds"</b>         | means a distinct portfolio of assets established by the Directors (with the prior approval of the Central Bank) constituting in each case a separate fund represented by a separate series of Shares with segregated liability from the other Funds and invested in accordance with the investment objective and policies applicable to such fund as specified in the relevant Supplement;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>"GBP" or "British Pounds"</b> | each means the lawful currency of the UK;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

|                                          |                                                                                                                                                                                                                                                                                               |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"Global Custodian"</b>                | means The Northern Trust Company, London Branch;                                                                                                                                                                                                                                              |
| <b>"ICAV"</b>                            | means Cerno Investment Funds ICAV;                                                                                                                                                                                                                                                            |
| <b>"Instrument"</b>                      | means the instrument of incorporation of the ICAV for the time being in force and as may be modified from time to time;                                                                                                                                                                       |
| <b>"Intermediary"</b>                    | means a person who carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons or holds shares in an investment undertaking on behalf of other persons;                                                           |
| <b>"Investment Management Agreement"</b> | means the investment management agreement between the Manager, the ICAV and the Investment Manager, as may be amended from time to time;                                                                                                                                                      |
| <b>"Investment Manager"</b>              | means or such other entity, person, firm or company as may from time to time be appointed in accordance with the requirements of the Central Bank to provide investment management or advisory services to the Funds as specified in the relevant Supplement;                                 |
| <b>"Investments"</b>                     | means any securities, instruments or obligations of whatsoever nature in which the ICAV may invest in respect of a Fund;                                                                                                                                                                      |
| <b>"Ireland"</b>                         | means the Republic of Ireland;                                                                                                                                                                                                                                                                |
| <b>"Irish Resident"</b>                  | means any company resident, or other person resident or ordinarily resident, in Ireland for the purposes of Irish tax. Please see the "Taxation" section below for the summary of the concepts of residence and ordinary residence issued by the Irish Revenue Commissioners;                 |
| <b>"Irish Revenue Commissioners"</b>     | means the Irish authority responsible for taxation;                                                                                                                                                                                                                                           |
| <b>"Management Agreement"</b>            | means the management agreement dated 29 June 2017 between the ICAV and the Manager, as may be amended;                                                                                                                                                                                        |
| <b>"Manager"</b>                         | means Waystone Management Company (IE) Limited or such other company as may from time to time be appointed in accordance with the requirements of the Central Bank;                                                                                                                           |
| <b>"Minimum Fund Size"</b>               | means such amount as the Directors may consider for a Fund and as set out in the relevant Supplement for the relevant Fund;                                                                                                                                                                   |
| <b>"Net Asset Value per Share"</b>       | means, in relation to any Class, the Net Asset Value divided by the number of Shares of the relevant Class in issue or deemed to be in issue in respect of a Fund at the relevant Valuation Point subject to such adjustments, if any, as may be required in relation to any Class in a Fund; |
| <b>"Net Asset Value"</b>                 | means the net asset value of the ICAV or a Fund calculated as described or referred to herein;                                                                                                                                                                                                |
| <b>"Ordinary Resolution"</b>             | means a resolution passed by a simple majority of the votes cast in its favour by Shareholders entitled to attend and vote at general meetings of the ICAV or on matters affecting the relevant Class, as the case may                                                                        |

|                                                              |                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                              | be, or a resolution in writing signed by all the Shareholders entitled to vote on such resolution;                                                                                                                                                                                                                                  |
| <b>"Prospectus"</b>                                          | means this document, any supplement designed to be read and construed together with and to form part of this document and the ICAV's most recent annual report and accounts (if issued) or, if more recent, its interim report and accounts;                                                                                        |
| <b>"Recognised Market"</b>                                   | means any stock exchange or regulated market set out in Appendix II of the Prospectus or such other markets as the Directors may from time to time determine in accordance with the UCITS Regulations as is specified in the relevant Supplement.                                                                                   |
| <b>"Redemption Form"</b>                                     | means a form approved by the ICAV or its delegate which must be completed by a Shareholder in order to redeem all or a portion of their Shares;                                                                                                                                                                                     |
| <b>"Regulations"</b>                                         | means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and any amendment thereto for the time being in force;                                                                                                                                            |
| <b>"RMP or Risk Management Process"</b>                      | means a risk management process cleared by the Central Bank in connection with the ICAV's investment in FDI;                                                                                                                                                                                                                        |
| <b>"Share" or "Shares"</b>                                   | means, unless the context otherwise requires, a share or shares in the capital of the ICAV (other than Subscriber Shares) entitling the holders to participate in the profits of the ICAV;                                                                                                                                          |
| <b>"Shareholder"</b>                                         | means a person registered as a holder of Shares;                                                                                                                                                                                                                                                                                    |
| <b>"Special Resolution"</b>                                  | means a resolution passed with the support of 75% or more of the votes cast in its favour by Shareholders entitled to attend and vote at general meetings of the ICAV or on matters affecting the relevant Class as the case may be, or a resolution in writing signed by all the Shareholders entitled to vote on such resolution; |
| <b>"Subscriber Shareholder" or "Subscriber Shareholders"</b> | means a holder or holders of Subscriber Shares;                                                                                                                                                                                                                                                                                     |
| <b>"Subscriber Shares"</b>                                   | means the initial issued share capital of 2 Shares of €1 each and initially designated as Subscriber Shares;                                                                                                                                                                                                                        |
| <b>"Supplement"</b>                                          | means a document which contains specific information supplemental to this document in relation to a particular Fund and any addenda thereto;                                                                                                                                                                                        |
| <b>"TCA"</b>                                                 | means the Taxes Consolidation Act 1997 of Ireland;                                                                                                                                                                                                                                                                                  |
| <b>"U.S. Person"</b>                                         | means an individual or entity that is a "U.S. Person" as defined in Regulation S promulgated under the 1933 Act; and                                                                                                                                                                                                                |
| <b>"U.S."</b>                                                | means the United States of America, its territories and possessions including the States and the District of Columbia and other areas subject to its jurisdiction;                                                                                                                                                                  |
| <b>"Umbrella Cash Account"</b>                               | means (a) a cash account opened in the name of the ICAV on behalf of all Funds into which (i) subscription monies received from applicants who have subscribed for Shares are deposited and held until Shares                                                                                                                       |

are issued as of the relevant Dealing Day; and/or (ii) redemption monies due to Shareholders who have redeemed Shares are deposited and held until paid to the relevant Shareholders; and/or (iii) dividend payments owing to Shareholders are deposited and held until paid to Shareholders

**"USD" or "US\$" or "U.S. Dollars" or "\$"** means the lawful currency of the United States of America;

**"Valuation Point"** shall have such meaning as shall be specified in the relevant Supplement.

## THE ICAV

### General

The ICAV was originally incorporated with limited liability in the Cayman Islands on 10 October 2007 under the name The Endowment Fund SPC as an open-ended multi-class exempted portfolio company and subsequently was deregistered in the Cayman Islands and registered in Ireland by way of continuation with the Central Bank on 29 June 2017 under registration number C163426, as an Irish collective asset-management vehicle, and authorised as a UCITS by the Central Bank pursuant to the UCITS Regulations. The ICAV is an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds with registered office at 17/19 Sir John Rogerson's Quay, Dublin 2, Ireland. The ICAV is authorised by the Central Bank as a UCITS. A separate portfolio of assets will be maintained in relation to each Fund.

All holders of Shares are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Instrument, copies of which are available as described under the heading "Documents for Inspection" in this Prospectus.

### Umbrella Fund

The ICAV is an umbrella fund with segregated liability, which is comprised of different Funds, each with one or more classes of Shares. Different classes of Shares may be issued from time to time with the prior notification and clearance of the Central Bank. Each Class represents interests in a Fund. Prior to the issue of any Shares, the ICAV will designate the Fund in relation to which such Shares shall be issued. A separate Fund with separate records and accounts will be maintained and assets in such Fund will be invested in accordance with the investment objectives applicable to such Fund.

### The Directors

The Board of Directors is responsible for managing the business affairs of the ICAV. The Directors have delegated day to day management of the ICAV to the Manager. The Manager has appointed the Administrator to provide the day-to-day administration of the ICAV's affairs (including the calculation of the Net Asset Value and the Net Asset Value per Share, Shareholder registration and transfer agency services and related services). The Manager has also appointed the Investment Manager to manage the assets and investments of the Fund.

The Directors are listed below with their principal occupations. None of the Directors has entered into an individual service contract with the ICAV nor is any such contract proposed. The ICAV has granted indemnities to the Directors in respect of any loss or damages which they may suffer save where this results from the Directors' fraud, negligence or wilful default. The Instrument does not stipulate a retirement age for Directors and do not provide for retirement of Directors by rotation. The address of the Directors is the registered office of the ICAV.

The secretary of the ICAV is Walkers Corporate Services (Ireland) Limited, The Exchange, George's Dock, IFSC, Dublin 1, D01 W3P9, Ireland.

The directors of the ICAV are:

#### Joseph Joyce (UK resident)

Joseph is the Financial Controller at Cerno Capital Partners LLP with responsibility for the financial infrastructure of the firm and managing key counterparty relationships. Previously, Joseph worked for the Banking and Capital markets team at Ernst and Young LLP, primarily working on the statutory audits of a range of global entities. Joseph graduated from Durham University in 2009 with a BSc in Mathematics and Physics. He then joined Chantrey Vellacott DFK, where he trained and qualified as a Chartered Accountant (ACA).

**Brian Dunleavy (Irish resident)**

Brian is an Associate Director with the Manager where he advises asset managers on the establishment and ongoing operation of both AIFMD and UCITS compliant funds. Prior to joining KB Associates, Brian was a Vice President in the Trustee & Depositary group in J.P. Morgan Bank where he assisted clients with new fund and product initiatives together with ongoing compliance requirements.

Previously he held the position of Senior Associate with King & Wood Mallesons solicitors in Sydney specialising in asset management and financial services regulation. He commenced his career with McCann FitzGerald solicitors in Dublin and London where he qualified and worked for a number of years in its asset management and investment funds practice. Brian holds a Bachelor of Business and Law (Hons) from University College Dublin and was admitted to the Roll of Solicitors in Ireland in 2008.

**Damian Keane (Irish resident)**

Mr. Keane has been involved in the financial services industry for over 25 years in both the Isle of Man and Dublin. Mr Keane has extensive experience with investment funds domiciled in various locations and across a variety of asset classes and investment strategies. He is currently a Director of Keanett Consult Ltd established in 2011 to provide management consultancy services and he is also a Director of The Fund Governance Boardroom Panel, a business which specialises in collective investment governance.

Mr Keane's experience covers the global investment funds sector, specifically in the areas of Investment Fund Banking, Fund Administration and Custody. Fund consulting roles have included Risk & Control assessments leveraging off this experience. Mr Keane served as a Board Director and CFO with the Fortis / ABN AMRO Prime Fund Solutions Group in Dublin over the course of his tenure from 1994 to 2010. This also incorporated an initial period with MeesPierson Fund Administration in the Isle of Man during which time he prepared and then implemented the business and operational plan for the start-up of MeesPierson's regulated Fund Administration and Custody operations in Dublin in 1995. Mr Keane served as a Non-Executive Director and Asset & Liability Committee member of a start-up Licensed Bank in Ireland from 2003 to 2010 which specialised in the provision of banking services and financing to Alternative Investment Funds. Between 1988 and 1994 Mr Keane worked as an audit supervisor with the professional services firm Ernst & Young in Dublin, Prague and Budapest.

Mr Keane is a Fellow of the Institute of Chartered Accountants in Ireland (1991), holds an MBA Degree (1998) from the Michael Smurfit Graduate School of Business as well as a Bachelor of Commerce Degree (1987) and Diploma in Professional Accounting (1988) from University College Dublin. In 2014 Mr Keane received the accreditation of Certified Investment Fund Director (CIFD) jointly awarded by Irish Funds (Industry Association) and the Institute of Banking School of Professional Finance. Other professional memberships include the Certified Investment Fund Director Institute and the Irish Fund Directors Association, of which Mr Keane was a founding member.

No Director has:

- (a) any unspent convictions in relation to indictable offences; or
- (b) been personally bankrupt or the subject of a voluntary arrangement, or has had a receiver appointed to any personal asset of such Director; or
- (c) been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, or made any composition or arrangements with its creditors generally or with any Class of its creditors; or
- (d) been a partner of any partnership, which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset creditors; or

- (e) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
  - (f) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.
- (c) The address of each Director is c/o the registered office of the ICAV. Any changes to directorships are subject to the prior approval of the Central Bank.

## **INVESTMENT OBJECTIVE AND POLICIES**

### **INVESTMENT OBJECTIVE AND POLICIES**

The ICAV is an umbrella investment vehicle and the investment objectives and policies for each Fund are formulated by the ICAV at the time of creation of each Fund and will be specified in the relevant Supplement to the Prospectus.

### **CHANGE IN INVESTMENT OBJECTIVE OR POLICIES**

Changes to the investment objective or material changes to the investment policies of a Fund each as disclosed in the relevant Supplement will only be effected with the approval of an Ordinary Resolution of the Shareholders of that Fund or with the prior written approval of all of the Shareholders of that Fund in accordance with the Instrument or such other majority as is specified in the Instrument. In the event that any such change is effected, reasonable notice to the Shareholders of that Fund will be provided to enable Shareholders to redeem prior to implementation.

## INVESTMENT RESTRICTIONS

The assets of each Fund must be invested in accordance with the restrictions on investments set out in the Regulations and such additional investment restrictions, if any, as may be adopted from time to time by the Directors in respect of any Fund. The ICAV will comply with the Central Bank UCITS Regulations and relevant guidance issued by the Central Bank. The principal investment restrictions applying to each Fund under the Regulations are described as follows:-

### 1 Permitted Investments

Investments of a Fund are confined to:

- 1.1 Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
- 1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3 Money market instruments other than those dealt on a regulated market.
- 1.4 Units of UCITS.
- 1.5 Units of alternative investment funds (AIFs).
- 1.6 Deposits with credit institutions.
- 1.7 Financial derivative instruments.

### 2 Investment Restrictions

- 2.1 The Manager may invest no more than 10% of net assets of a Fund in transferable securities and money market instruments other than those referred to in paragraph 1.

#### 2.2 Recently Issued Transferable Securities

Subject to paragraph (2), a Manager shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply.

Paragraph (1) does not apply to an investment by the Manager in US Securities known as "Rule 144A securities" provided that:

- (a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and
- (b) the securities are not illiquid securities i.e. they may be realised by the Fund within 7 days at the price, or approximately at the price, which they are valued by the UCITS.

- 2.3 The Manager may invest no more than 10% of its assets of a Fund in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4 The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.5 The transferable securities and money market instruments referred to in 2.4 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

2.6 Deposits or cash booked in accounts and held as ancillary liquidity with any one credit institution within the meaning of Regulation 7 of the Central Bank, shall not exceed 20% of the net assets of the Fund.

2.7 The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of a credit institution authorised in the EEA, a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand ("**Relevant Institutions**").

2.8 Notwithstanding paragraphs 2.3, 2.6 and 2.7 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

- (a) investments in transferable securities or money market instruments;
- (b) deposits: and/or
- (c) counterparty risk exposures arising from OTC derivatives transactions.

2.9 The limits referred to in 2.3, 2.4, 2.6, 2.5, 2.7 and 2.8 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

2.10 Group companies are regarded as a single issuer for the purposes of paragraphs 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.

2.11 A Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

The individual issuers must be listed in the prospectus and may be drawn from the following list: OECD Governments (provided the relevant issues are investment grade), Government of Brazil (provided the relevant issues are investment grade), Government of India (provided the issues are of investment grade), the European Investment Bank, the European Bank for Reconstruction and Development, the International Finance Corporation, the International Monetary Fund, Euratom, the Asian Development Bank, the European Central Bank, the Council of Europe, Eurofima, the African Development Bank, the International Bank for Reconstruction and Development (The World Bank), the Inter American Development Bank, European Union, the Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), the Government National Mortgage Association (Ginnie Mae), the Student Loan Marketing Association (Sallie Mae), the Federal Home Loan Bank, the Federal Farm Credit Bank, the Tennessee Valley Authority, the Government of Singapore, and Straight A-Funding LLC .

The Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

### 3 Investment in Collective Investment Schemes ("CIS")

3.1 A UCITS may not invest more than 20% of net assets in any one CIS.

3.2 (d) Investment in AIFs may not, in aggregate, exceed 30% of net assets.

3.3 The CIS are prohibited from investing more than 10per cent of net assets in other open-ended CIS.

- 3.4 When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Fund management company or by any other company with which the Fund management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund investment in the units of such other CIS.
- 3.5 Where by virtue of investment in the units of another investment fund, the ICAV, the Investment Manager or an investment advisor receives a commission on behalf of the ICAV (including a rebated commission), the ICAV shall ensure that the relevant commission is paid into the property of the ICAV.

#### 4 Index Tracking UCITS

- 4.1 A Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank.
- 4.2 The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

#### 5 General Provisions

- 5.1 An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2 A Fund may acquire no more than:
- (i) 10% of the non-voting shares of any single issuing body;
  - (ii) 10% of the debt securities of any single issuing body;
  - (iii) 25% of the units of any single CIS;
  - (iv) 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments or the net amount of the securities in issue cannot be calculated.

- 5.3 5.1 and 5.2 shall not be applicable to:
- (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
  - (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
  - (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
  - (iv) shares held by a Fund in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in paragraphs 2.3 to 2.10, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;

- (v) Shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.
- 5.4 A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
- 5.5 The Central Bank may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
- 5.6 If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
- 5.7 Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:
  - (a) transferable securities;
  - (b) money market instruments;
  - (c) units of investment funds; or
  - (d) financial derivative instruments.
- 5.8 A UCITS may hold ancillary liquid assets.

## 6 Financial Derivative Instruments ("FDIs")

- 6.1 The UCITS global exposure (as prescribed in the Central Bank UCITS Regulations) relating to FDI must not exceed its total net asset value.
- 6.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations/Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)
- 6.3 UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- 6.4 Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

Without limitation, the Directors may adopt additional investment restrictions with respect to any Fund to facilitate the distribution of Shares in the relevant Fund to the public in a particular jurisdiction. Any such additional investment restrictions will be disclosed in the Prospectus. In addition, the investment restrictions set out above may be changed from time to time by the Directors in accordance with a change in the applicable law and regulations in any jurisdiction in which Shares in the Funds are currently offered, provided that the assets of the Fund will at all times be invested in accordance with the restrictions on investments set out in the Regulations and the Central Bank UCITS Regulations. In the event of any such addition to, or change in, the investment restrictions applicable to any Fund, a reasonable notification period will be provided by the ICAV to enable Shareholders in the relevant Fund to redeem their Shares prior to implementation of these changes.

If the limits set forth above are exceeded for reasons beyond the control of the Investment Manager, the Investment Manager must adopt as its primary objective in its sale transactions the remedying of such situation, taking due account of the interests of the relevant Fund's Shareholders.

The Manager employs a Risk Management Process or "RMP" in respect of the ICAV which enables it to accurately measure, monitor and manage the various risks associated with the FDI. A statement of this RMP has been submitted to the Central Bank. **A Fund will only utilise those FDIs as set out in the relevant Fund Supplement and as listed in the RMP and that have been cleared by the Central Bank.** The ICAV will, on request, provide supplementary information to Shareholders relating to the RMP employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

## THE MANAGER

The ICAV has appointed the Manager as Manager of the ICAV pursuant to the Management Agreement.

The Manager will be responsible for the management and general administration of the ICAV with power to delegate such functions subject to the overall supervision and control of the Manager. In accordance with the requirements of the Central Bank, the Manager delegates certain of its fund administration duties to the Administrator and some of its portfolio management functions to the Investment Manager. The liability of the Manager to the ICAV will not be affected by the fact that it has delegated certain of its functions.

The Manager was incorporated in Ireland as a private limited company on 7 August 2012. It is a 100% subsidiary of Waystone (Ireland) Limited, a limited liability company incorporated in Ireland, which is a 100% subsidiary of Waystone Governance Limited, a Cayman incorporated private limited company which is regulated by the Cayman Islands Monetary Authority. The company secretary of the Manager is Waystone Centralised Services Limited.

The Manager and Waystone Governance Limited are part of the Waystone group of companies (the Waystone Group). The Waystone Group is a worldwide leader in fund governance, based in Dublin, Waystone also has offices in Cashel, Cayman, Luxembourg, London, Hong Kong, Singapore and New York led by principals experienced in their specialist markets.

### Directors of the Manager

The Directors of the Manager are:

**Tim Madigan** (Irish Resident) (Independent). Mr. Madigan is Independent Non-Executive Chairperson for the Company. He is also Independent Non-Executive Chairperson for Waystone Management (UK) Limited. He serves as an independent non-executive director for a number of investment funds, both Irish-domiciled (UCITS and AIFs) and Luxembourg-domiciled (AIFs), as well as for an Irish cross-border life insurance company (where he also acts as chair of the Audit Committee). He was previously an independent non-executive director of a UK life insurance company (where he also acted as chair of the Risk and Compliance Committee). From 2010 to 2011 Mr. Madigan was finance director of Aviva Investment Management Europe, where he led the set-up of the finance function for Aviva Europe's Dublin based centre of excellence, established to manage treasury assets and investment management mandates. Prior to this, Mr. Madigan was managing director of cross-border life insurance company Aviva Life International from 2006 to 2010. Previously he was finance director for that company. In this role he chaired the Investment Committee as well as leading a strategic review of business in 2009 following the onset of the global financial crisis. He holds a bachelor's degree in Business Studies (Finance) from the University of Limerick, is a Fellow of the Association of Chartered Certified Accountants and is a Certified Investment Fund Director. He served as an elected Council member of the Irish Fund Directors Association from 2016 to 2020.

**Andrew Bates** (Irish Resident) (Independent), Mr. Bates is an Independent Non-Executive Director for the Company as well as Chair of its Risk Committee. He currently serves as Chair and non-executive director for a number of Central Bank regulated operating companies and fund product vehicles. Mr. Bates was the Head of the Financial Services practice at Dillon Eustace LLP spending almost 30 years as a legal advisor, working with a wide variety of financial services companies and fund promoters on establishment and authorisation matters, product design contract negotiations, outsourcing, cross border passporting and on various interactions with regulators. Recognised as a leading lawyer in his practice areas by Chambers, by the IFLR 1000 and by the Legal 500, Mr. Bates has also previously serviced as a Council Member of Irish Funds for 3 years. Mr. Bates holds a Diploma in Company Direction from the Institute of Directors, as well as a Bachelor of Civil Law from University College Dublin.

**Rachel Wheeler** (UK Resident). Ms. Wheeler is CEO of Global Management Company Solutions at Waystone and Non-Executive Director for the Company. A leading asset management general

counsel, Ms. Wheeler brings to Waystone over 20 years of experience in managing legal and regulatory risk and working with the corresponding regulatory bodies. At Waystone, Ms. Wheeler oversees its management companies and MiFID services globally, ensuring that a uniform, best-in-class operational process is applied to all entities within her remit. Ms. Wheeler plays a pivotal role in all operational and strategic matters and works closely with Waystone's leadership team on its growth strategy, including future acquisitions.

Ms. Wheeler joined Waystone from GAM Investments where she served as Group General Counsel and as a member of the Senior Leadership Team. Prior to this, Ms. Wheeler served as General Counsel at Aviva Investors where she was a member of the Executive Team. Ms. Wheeler has held senior positions in the legal teams of USS Investment Management, Bank of New York Mellon, Gartmore Investment Management and Merrill Lynch Investment Management. Ms. Wheeler began her career as a solicitor in corporate and financial services law at Simmons & Simmons. Ms. Wheeler has a postgraduate diploma in Law and Legal Practice Course from the College of Law, Guildford and a BA (Hons) in History from the University of Wales.

**James Allis** (Irish Resident). Mr. Allis serves as the European Fund Services Chief Operating Officer and is currently Executive Director for the Company. Mr. Allis has been active in the financial services industry since 2004. He joined Waystone in 2016 and has served for a time as the Company's CEO, Chief Operations Officer and prior to that, as the Designated Person responsible for Operational Risk Management. Mr. Allis has overseen a range of international investment management clients covering both AIFM and UCITS. His remits have covered product development, risk, valuation, due diligence, and audit. Mr. Allis has also been a Board member of Waystone's Irish MiFID firm and has acted as chairperson for the risk committee of the company. Prior to joining Waystone, Mr. Allis worked for Citco Fund Services, Dublin as Senior Account Manager, leading a team to work on a wide array of structures. Mr. Allis holds a Bachelor of Business Studies in Finance and a Masters in International Relations, both from Dublin City University. Mr. Allis was also a member of the Irish Funds Organizational Risk Working Group for over two years and is certified by PRMIA.

**Andrew Kehoe** (Irish Resident) is the CEO and Executive Director for the Company. At Waystone, he oversees the Irish management company business and works closely with the CEO of Waystone's Global Management Company Solutions and senior management in Waystone's management companies in other jurisdictions to help ensure that a uniform, best in class operational process is applied across all entities and that group strategy is implemented at an Irish level. He is also responsible for Waystone's fund consulting services in Ireland.

Mr. Kehoe has been a lawyer since 2002 and has a broad range of experience at law firms in the U.S. and Ireland. Mr. Kehoe was previously the CEO of KB Associates and, before that, was responsible for both the legal and business development teams at KB Associates.. He also previously acted as the CEO of the KB Associates' MiFID distribution firm in Malta. Prior to joining KB Associates, Mr. Kehoe was a managing partner at a New York City law firm and worked as an investment funds solicitor in Dublin. Mr. Kehoe holds a Bachelor of Science in Business from Fairfield University, a Juris Doctor law degree from New York Law School and a Diploma in International Investment Funds from the Law Society of Ireland. He is admitted to the Roll of Solicitors in Ireland, England and Wales, and is a member of the New York, New Jersey and Connecticut Bars.

**Samantha Mevlitt** (Irish Resident). Ms. Mevlit is the Finance Director of the European Fund Services at the Waystone Group and a Non-Executive Director for the Company. Having joined Waystone in 2016 Ms. Mevlit has been actively involved in numerous acquisitions and restructurings that have supported the Company's growth and continued success. At Waystone, Ms. Mevlit oversees the financial operations of the European entities, which includes its Management Companies and MiFID entities, ensuring that they are operating to the strategy of the management team and that they conform to all the statutory, regulatory and revenue requirements. Ms. Mevlit is a CIMA qualified Chartered Management Accountant and has a Master of Business Studies in Project Management (Hons) for the Michael Smurfit School of Business and a Bachelor of Business Studies (Hons) from Waterford Institute of Technology.

**Keith Hazley** (Irish Resident). Mr. Hazley serves as an Executive Director for the Company and is the representative member on both the Investment Committee and Valuation Committee of the Company. He was the Designated Person responsible for Investment Management until October 2022. He brings to the role extensive leadership experience in trading, investment and technology

development in the hedge fund industry. Mr. Hazley was previously the Head of Risk at Waystone's Irish MiFID Firm, as well as a Non-Executive Director of Luna Technologies Ltd., a fund administration software company, and Altitude Fund Solutions Limited, a fund portal software company, and a Director of Lambay Fund Services Ltd. He has served as an independent director on several Boards of hedge funds. Mr. Hazley holds a Bachelor of Business Studies degree from Trinity College, Dublin, a Master of Business Administration degree from City of London University and a Diploma in Company Direction, Institute of Directors, London. He is an Approved Principal by the Commodity Futures Trading Commission and a Member of the Institute of Directors in Ireland.

## **THE INVESTMENT MANAGER AND DISTRIBUTOR**

Cerno Capital Partners LLP has been appointed the investment manager and distributor of the Fund and is responsible for providing discretionary investment management services in connection with the assets of the Fund and for distributing the Fund.

The Investment Manager will also promote the ICAV.

The Investment Manager and Distributor was incorporated in England & Wales on 6 March 2007 and has its principal place of business at 1<sup>st</sup> Floor, 34-35 Sackville Street, London, W1S 3ED. The Investment Manager and Distributor is authorised and regulated by the Financial Conduct Authority.

The Investment Management and Distribution Agreement provides that in the absence of negligence, bad faith, fraud, wilful default or recklessness, the Investment Manager and Distributor shall not be liable for any loss or damage sustained or suffered by the Manager, or the ICAV or any Fund arising out of its performance of its duties under the Investment Management and Distribution Agreement. The ICAV is obliged under the Investment Management and Distribution Agreement to indemnify out of the assets of the relevant Fund the Investment Manager from and against any and all liabilities, losses, damages, penalties, actions, judgments, suits, costs, taxes assessed upon, or payable by, the Manager or ICAV (or one or more of its Funds), expenses or disbursements of any kind or nature whatsoever, other than those resulting from any negligence, bad faith, fraud, wilful default or recklessness on the part of the Investment Manager in the performance or non-performance of its duties and obligations.

The Investment Management and Distribution Agreement shall continue in full force and effect unless terminated by either party upon ninety (90) days prior written notice or at any time if the other party: (i) commits any material breach of the Investment Management and Distribution Agreement; (ii) commits negligence, bad faith, fraud, wilful default or recklessness in the performance or non-performance of its duties and obligations; (iii) goes into liquidation (except a voluntary liquidation for the purpose of a reconstruction, amalgamation or merger upon the terms previously approved in writing by the other party) or if a receiver is appointed over all or any of its assets or any equivalent step is taken in any other jurisdiction.

## THE ADMINISTRATOR

The Manager and the ICAV have appointed Northern Trust International Fund Administration Services (Ireland) Limited to act as administrator, registrar and transfer agent of the ICAV pursuant to an Administration Agreement dated on or about the date of this Prospectus, among the ICAV, the Manager and Northern Trust International Fund Administration Services (Ireland) Limited).

The Administrator is a private limited liability company incorporated in Ireland on 15 June 1990 and is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30 June 2023, the Northern Trust Group's assets under custody and administration totalled in excess of US\$ 14.5 trillion. The principal business activity of Northern Trust International Fund Administration Services (Ireland) Limited is the administration of collective investment schemes.

The Administrator is authorised by the Central Bank to provide administration services to collective investment schemes.

The duties and functions of the Administrator include, inter alia, the calculation of the Net Asset Value and the Net Asset Value per Share, calculation of management and performance fees (if applicable), the keeping of all relevant records in relation to the ICAV as may be required with respect to the obligations assumed by it pursuant to the Administration Agreement, the preparation and maintenance of the ICAV's books and accounts, liaising with the Auditors in relation to the audit of the financial statements of the ICAV, carrying out the issue and redemption of Shares and the provision to the Manager of certain registration and transfer agency services, subject to the overall supervision of the Directors.

The Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the ICAV and is responsible and liable only for the administration services that it provides pursuant to the Administration Agreement. The Administrator is a service provider and is not responsible for the preparation of this document other than the preparation of the above description and accepts no responsibility or liability for any information contained in this document except disclosures relating to it.

The Administrator will not participate in any investment decision-making process.

The Administration Agreement provides that the appointment of the Administrator by the ICAV and the Manager of the Administrator will continue in force unless and until terminated by any party giving to the other parties not less than 90 days written notice of termination although in certain circumstances (e.g. the insolvency of any party, unremedied breach after notice thereof) the Agreement may be terminated forthwith by notice of termination in writing by any party to the other parties.

The Administration Agreement contains certain indemnities by the ICAV in favour of the Administrator, its officers, employees, agents, subcontractors and representatives excluding matters arising by reason of the negligence, fraud or wilful default of the Administrator in the performance of its duties and obligations under the Administration Agreement.

The Administration Agreement is governed by and construed in accordance with the laws of Ireland and accordingly is recognised and enforceable under the laws of Ireland.

## THE DEPOSITARY

The ICAV and the Manager have appointed Northern Trust Fiduciary Services (Ireland) Limited to act as Depositary to the ICAV pursuant to a Depositary Agreement dated on or about the date of this Prospectus.

The Depositary is a private limited liability company incorporated in Ireland on 5 July 1990 and its main activity is the provision of depositary and custody services to collective investment schemes. The Depositary is an indirect wholly-owned subsidiary of Northern Trust Corporation.

Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30 June 2023, the Northern Trust Group's assets under custody and administration totalled in excess of US\$ 14.5 trillion.

Up-to-date information regarding the Depositary's identity, a description of its duties, delegation of any of its duties and the applicable conflicts of interests will be made available to Shareholders on request.

The Depositary is a service provider to the ICAV and is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the ICAV and is not responsible for the preparation of this document other than the preparation of the above description and accepts no responsibility or liability for any information contained in this document except disclosures relating to it. The Depositary will not participate in the investment decision-making process.

As at the date of this Prospectus, the Depositary is not aware of any conflicts of interest in respect of its appointment as depositary to the ICAV. If a conflict of interest arises, the Depositary will ensure it is addressed in accordance with the Depositary Agreement, applicable laws and in the best interests of the Shareholders.

The Depositary Agreement provides that the ICAV shall indemnify and keep indemnified and hold harmless the Depositary (and each of its directors, officers and employees) out of the assets of the ICAV from and against any and all third party actions, proceedings claims, costs, demands and expenses which may be brought against suffered or incurred by the Depositary other than in circumstances where the Depositary is liable by reason of (i) loss of financial instruments held in custody (unless the loss has arisen as a result of an external event beyond the control of the Depositary) and/or (ii) the Depositary's negligent or intentional failure to properly fulfil its obligations under the UCITS Regulations.

The Depositary has delegated to its global sub-custodian, The Northern Trust Company, London branch, responsibility for the safekeeping of the ICAV's financial instruments and cash. The global sub-custodian proposes to further delegate these responsibilities to sub-delegates, the identities of which are set forth in Appendix IV attached.

The Manager or the ICAV will disclose to investors before they invest in the ICAV any arrangement made by the Depositary, to contractually discharge itself of liability. In the event that there are any changes to Depositary liability, the Manager or the ICAV will inform Shareholders of such changes without delay. The Depositary in no way acts as guarantor or offeror of the ICAV's Shares or any underlying investment. The Depositary is a service provider to the ICAV and has no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the ICAV.

The Depositary Agreement is governed by and construed in accordance with the laws of Ireland and accordingly is recognised and enforceable under the laws of Ireland.

## **LOCAL PAYING AGENTS AND DISTRIBUTORS**

The ICAV may appoint paying agents and distributors. Local regulations in certain EEA countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscription and redemption monies may be paid. Investors who choose, or are obliged under local regulations to pay subscription monies or receive redemption monies via an intermediary entity rather than the directly to the Administrator bear a credit risk against that intermediate entity with respect to (a) subscription monies, prior to the transmission of such monies to the Administrator for the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant investor. Fees payable to any such paying agent or distributor shall be payable out of the assets of the ICAV at normal commercial rates.

The details of each Distributor, appointed to provide distribution services in respect of each Fund under are disclosed in the supplement of each Fund.

## **FEES AND EXPENSES**

### **GENERAL FEES**

Details of the management, investment management, administration and custody fees applicable to the Funds are specified in the relevant Supplement.

Where the Investment Manager or any of its delegates, successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities for a Fund, the rebated commission shall be paid to that Fund. Details of the arrangements including fees payable to the Investment Manager (or its delegates) relating to such arrangements will be set out in the relevant Supplement.

### **ESTABLISHMENT AND OPERATING EXPENSES**

The establishment expenses of the ICAV are not expected to exceed €50,000 and may be amortised over an initial 5 year period. The establishment expenses for each Fund will be set out in the relevant Supplement and may be amortised over an initial 5 year period unless otherwise provided for in the relevant Supplement. The ICAV will also pay certain other costs and expenses incurred in its operation, including without limitation:

- (i) all taxes and expenses which may be incurred in connection with the acquisition and disposal of Investments and all other assets of the ICAV;
- (ii) all taxes which may be payable on the assets, income and expenses chargeable to the ICAV;
- (iii) all brokerage, bank and other charges incurred by the ICAV in relation to its business transactions;
- (iv) all remuneration, fees, costs and expenses (including value added tax, if applicable) due to the Manager, the Administrator, an Investment Manager, the Depositary, the Sub-Custodian, the Auditors, any distributor appointed to distribute Shares, any tax representative appointed for tax reporting purposes and the legal advisers to the ICAV and any other person, firm or corporation providing services to the ICAV;
- (v) all expenses incurred in connection with publication and supply of information to Shareholders and in particular, but without limitation, the cost of printing and distributing the half yearly financial statements and the annual audited financial statements as well as any other reports to the Central Bank or to any other regulatory authority or the Shareholders and the cost of preparing, publishing and distributing the Prospectus and any other offering documents for Shares (including the cost of developing and enhancing computer software and electronic transmission techniques to distribute such documents or information), and the cost of all stationery, printing and postage costs in connection with the preparation and distribution of information to Shareholders, the expenses of publishing daily price and yield information in relevant media and all marketing and promotional expenses;
- (vi) fees and expenses in connection with the distribution of Shares;
- (vii) all expenses incurred in registering the ICAV with any governmental agencies or regulatory authorities and maintaining the registration of the ICAV with such governmental agencies or regulatory authorities and the cost of listing and maintaining a listing of Shares on any stock exchange;
- (viii) any necessary translation fees;
- (ix) any and all expenses arising in respect of legal or administrative proceedings concerning the ICAV;
- (x) all expenses arising in respect of issuing, purchasing, repurchasing and redeeming Shares;

- (xi) any and all expenses in relation the liquidation/ winding-up of the ICAV or a Fund;
- (xii) expenses incurred in acquiring and disposing of Investments;
- (xiii) expenses incurred in distributing income to Shareholders;
- (xiv) fees in respect of the publication and circulation of details of the Net Asset Value of each Fund and each Class of each Fund;
- (xv) the costs of convening and holding meetings of Shareholders (including meetings of Shareholders in any particular Fund or in any particular Class within a Fund and obtaining proxies in relation to such meetings) and meetings of Directors;
- (xvi) the costs of printing and distributing reports, accounts and any Prospectus;
- (xvii) the costs of publishing prices and other information which the ICAV is required by law to publish and any other administrative expenses;
- (xviii) taxes and duties payable by the ICAV;
- (xix) interest on and charges incurred in relation to borrowings;
- (xx) fees and expenses in connection with the listing of Shares on any stock exchange;
- (xxi) the cost of obtaining and maintaining the listing of the Shares on the Irish Stock Exchange and any other exchange, including the fees of any sponsoring broker;
- (xxii) any costs incurred in modifying the Instrument or the Prospectus;
- (xxiii) insurance which the ICAV may purchase and/or maintain for the benefit of and against any liability incurred by any Director in the performance his or her duties;
- (xxiv) liabilities on amalgamation or reconstruction arising where the property of a body corporate or another collective investment scheme is transferred to the Depositary in consideration for the issue of Shares to the shareholders in that body or to participants in that other scheme, provided that any liability arising after the transfer could have been paid out of that other property had it arisen before the transfer and, in the absence of any express provision in the Instrument forbidding such payment, the Directors are of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of transfer;
- (xxv) any other costs or expenses that may be taken out of the ICAV's property in accordance with the Instrument;
- (xxvi) any fees payable to the Central Bank and any other costs associated with any reporting or other regulatory requirements;
- (xxvii) any regulatory or other administrative fees, costs and expenses, including the fees, costs and expenses involved in complying with any regulatory, taxation or other requirements;
- (xxviii) any costs incurred as a result of periodic updates of the Prospectus, any Supplements, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law);
- (xxix) any costs incurred in forming a Fund or a Class (details of which will be set out in the Relevant Supplement); and
- (xxx) any other costs or expenses that may be charged to the ICAV in accordance with the Instrument.

All recurring expenses will be charged against current income or against realised capital gains, and, if need be, against assets of the ICAV as the Directors may from time to time decide.

#### **DIRECTORS FEES**

Under the Instrument, the Directors are entitled to a fee in remuneration for their services to the ICAV at a rate to be determined from time to time by the Directors, but so that the aggregate amount of Directors' remuneration in any one year shall not exceed €30,000 (or such other higher limit as the Directors may from time to time determine with the approval of the Shareholders). The Directors and any alternate Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any other meetings in connection with the business of the ICAV.

#### **OTHER FEES**

Other fees and expenses payable in respect of each Fund and/or Class are contained in the relevant Supplement.

## SUBSCRIPTIONS

To subscribe for the purchase of Shares in any Fund, a prospective investor must complete and sign the subscription documents available from the Administrator (the "**Subscription Documents**") and an existing Shareholder must complete and sign the additional subscription form included in the Subscription Documents (the "**Additional Subscription Form**") and send them to the Administrator by facsimile, mail or via electronic mail (subject to the submission by electronic mail having been agreed with the Administrator in advance), as set out in the Subscription Documents. Properly completed Subscription Documents together with all the necessary identification documents required for anti-money laundering and counter-terrorism financing purposes, must be received by the Administrator in accordance with the timelines specified in a relevant Supplement to the Prospectus. While the Administrator accepts facsimile and electronic mail copies (subject to the above proviso), prospective investors should be aware of the risks associated with sending documents in this manner. The prospective investor bears the risk of the Subscription Documents or Additional Subscription Form, as the case may be, not being received or being illegible and the Administrator will not be responsible or liable in these events. In particular, the Administrator will not be responsible or liable in the event that any Subscription Documents or Additional Subscription Form sent by facsimile is not received or is illegible.

Subscription monies will not be available to participate in a Fund until the Subscription Documents (or Additional Subscription Form) and all identification documents are received at the offices of the Administrator. Where subscription proceeds are received, these will be returned within 5 days of receipt to the sender (at the cost and risk of investor) if investor due diligence and minimum investor registration requirements have not been completed. Shares in a Fund will not be issued until the Administrator is satisfied that all anti-money laundering procedures have been complied with. Investors will be required to respond in a timely manner to communications from the Administrator in relation to the necessary identification documents.

Payments for subscriptions of Shares must be by wire transfer to the account designated in the Subscription Documents. Acceptance of any subscription for Shares is subject to the right of the ICAV, in its sole discretion, to modify or cancel the offering of the applicable Shares at any time without notice to any subscriber, and to accept or reject any subscription in whole or in part. Payment for Shares subscribed for on any Dealing Day must be received by the Administrator in accordance with the timelines specified in a relevant Supplement. If payment has not been received by the ICAV by the relevant deadline in connection with a subscription that the ICAV has accepted, the ICAV may, in its sole discretion cancel the purchase order and subscription or consider the purchase order as being a purchase order for the next Dealing Day after the receipt of payment.

The ICAV may, at its discretion, from time to time make arrangements for the issue of Shares to any person by way of an in specie transfer upon such terms as the Directors may think fit but subject to and in accordance with the following provisions:

1. Shares shall not be issued until the investments have been vested in the Depositary on behalf of the relevant Fund or its nominee or sub-custodian to the Depositary's satisfaction;
2. subject to the foregoing any such exchange shall be effected on terms that the number of Shares to be issued shall be the number which would have been issued for cash at the current price against payment of a sum equal to the value of the investments transferred less such sum as the Directors may consider represents an appropriate provision for any fiscal brokerage, registration or other expenses as aforesaid to be paid out of the assets of the relevant Fund in connection with the vesting of the investments;
3. the investments to be transferred to the ICAV for the account of the relevant Fund shall be valued on such basis as the Directors may decide so long as such value does not exceed the highest amount that would be obtained on the day of the exchange by applying the method of calculating the value of investments as set out under the heading "Determination and Publication and Temporary Suspension of Net Asset Value";

4. the nature of the investments to be transferred for the account of the relevant Fund would qualify as investments of such Fund in accordance with its investment objectives, policies and restrictions; and
5. the Depositary shall be satisfied that the terms of such exchange should not be such as are likely to result in any prejudice to the existing Shareholders.

### **Anti-Money Laundering and Countering Terrorist Financing Measures**

The ICAV and the Administrator are required to comply with applicable legislation or regulations aimed at the prevention of money laundering and combating of terrorist financing ("**AML Regime**"). The Administrator has also adopted global policies and procedures which use the best practices of international and European initiatives to counter money laundering and terrorist financing which may be of a standard that is higher than required under the AML Regime ("**AML Policy**"). In accordance with the AML Regime and the AML Policy, the Administrator will require subscribers to provide evidence to verify their identity and, in certain circumstances, source of funds used to subscribe for the purchase of Shares before any order for Shares will be placed. Blocks will be applied to accounts to prevent any dealing until the correct documentation is received in accordance with the AML Policy.

Measures aimed towards the prevention of money laundering may require a detailed verification of each prospective investor's identity. Depending on the circumstances of each application to subscribe for Shares, a detailed verification might not be required where (i) the applicant makes the payment from an account held in the applicant's name at a recognised financial institution or (ii) the application to purchase Shares is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above are within a country recognised by Ireland as having equivalent anti-money laundering regulations.

Where permitted, and subject to certain conditions, the ICAV or the Administrator may also delegate the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person, within or outside Ireland.

Although certain due diligence exceptions may be available under the AML Regime, the ICAV and the Administrator on the ICAV's behalf, reserve the right to request such information as is necessary to verify the identity of a prospective investor (i.e. a subscriber or a transferee) in accordance with the AML Policy.

Any information obtained from the investor, or in relation to the investor or its business, may be disclosed by the ICAV or the Administrator to third parties, within or outside Ireland, including, inter alia, affiliates, service providers and/or regulatory, legal, fiscal and administrative authorities, in the course of conduct of business of the ICAV or the Administrator.

In the event of delay or failure on the part of the subscriber in producing any information required for verification purposes required under the AML Regime or the AML Policy, the ICAV or the Administrator on the ICAV's behalf, may refuse to accept the application to purchase Shares or forcibly redeem the subscriber's position in the ICAV, in which case any funds received by the ICAV from such subscriber will be returned without interest in due course to the account from which they were originally debited, or otherwise dealt with by the ICAV or the Administrator in compliance with the AML Regime or the AML Policy.

The ICAV, and the Administrator on the ICAV's behalf, also reserve the right to refuse to make any redemption, dividend or distribution payment to a Shareholder if the Directors or the Administrator suspect or are advised that the payment of redemption, dividend or distribution proceeds to such Shareholder may be non-compliant with the AML Regime or any other applicable laws or regulations, or if such refusal is considered necessary or appropriate to ensure the compliance by the ICAV or the Administrator with the AML Regime, the AML Policy or any other applicable laws or regulations.

### **Data Protection**

Prospective investors should note that by completing the Application Form they are providing to the ICAV personal information, which may constitute personal data within the meaning of the Data

Protection Legislation. This data will be used for the purposes of administration, transfer agency, statistical analysis, research and disclosure to the ICAV, its delegates and agents. By signing the Application Form, investors acknowledge that they are providing their consent to the ICAV, the Administrator, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies obtaining, holding, using, disclosing and processing the personal information for any one or more of the following purposes:

- (a) to manage and administer the Shareholder's holding in the ICAV and any related accounts on an on-going basis;
- (b) for any other specific purposes where the Shareholder has given specific consent;
- (c) to carry out statistical analysis and market research;
- (d) to comply with legal, tax and regulatory obligations applicable to the Shareholder and the ICAV;
- (e) for disclosure or transfer whether in Ireland or countries outside the European Economic Area including without limitation the United States of America, which may not have the same data protection laws as Ireland, to third parties including financial advisers, regulatory bodies, taxation authorities, auditors, tax advisers, technology providers or to the ICAV and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above;
- (f) for disclosure to the U.S. Inland Revenue Service to meet the ICAV's obligations under FATCA as further disclosed in the section entitled "U.S. Foreign Account Tax Compliance Withholding" below; and
- (g) for other legitimate business interests of the ICAV.

By signing the Application Form, investors also specifically acknowledge (without prejudice to the generality of the foregoing paragraphs) that the Administrator may engage affiliated and unaffiliated third parties to evaluate and comply with any anti-money laundering, regulatory, administration (including data processing, which itself includes personal data processing, and storage), tax duties and tasks applicable to the ICAV and/or its Funds as deemed necessary or desirable by the Directors, and/or the Administrator. This will include the use of parties and information technology ("IT") infrastructure located outside of Ireland and/or the European Union, including the United States.

Pursuant to Data Protection Legislation, investors have a right of access to their personal data kept by the ICAV and the right to amend and rectify any inaccuracies in their personal data held by making a request in writing.

The ICAV and the Depositary as Data Controllers, and the Administrator as a Data Processor, within the meaning of Data Protection Legislation, undertake to hold any personal information provided by investors in confidence and in accordance with Data Protection Legislation.

By signing the Application Form, prospective investors consent to the recording of telephone calls made to and received from investors by the ICAV, its delegates, its duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes.

A copy of the Data Privacy Statement of the ICAV is available at the obtained at the registered office of the ICAV at 5th Floor, The Exchange, George's Dock, IFSC, Dublin 1, Ireland.

## **INVESTMENT RISKS**

### **General**

The investments of a Fund are subject to normal market fluctuations and other risks inherent in investing in securities or other instruments and there can be no assurance that any appreciation in value of investments will occur. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Fund. An investment should only be made by those persons who are able to sustain a loss on their investment.

There can be no guarantee that the investment objective of any Fund will actually be achieved.

### **Limited Liability of Funds**

The ICAV is an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between each of its Funds. As a result third parties may not look to the assets of the ICAV in respect of liabilities owed by a Fund to them and must instead look to the Fund in which such debt arose.

### **Credit Risks**

Although the Funds may invest in high credit quality instruments, there can be no assurance that the securities or other instruments in which those Funds invest will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or other instruments. The Funds will also be exposed to a credit risk in relation to the counterparties with whom they trade and may also bear the risk of settlement default.

### **Suspension of Valuation**

The ability to subscribe for, redeem or convert Shares may be affected by a temporary suspension of the determination of Net Asset Value which may take place upon the occurrence of certain events.

### **Suspension of Trading**

Securities exchanges typically have the right to suspend or limit trading in any instrument traded on the exchanges. A suspension could render it impossible for the Investment Manager to liquidate positions and thereby expose the Fund to losses.

### **Foreign Exchange Risk**

Where a Fund engages in foreign exchange transactions which alter the currency exposure characteristics of its investments the performance of such Fund may be strongly influenced by movements in exchange rates as currency positions held by the Fund may not correspond with the securities positions held.

The Net Asset Value per Share of a Fund will be computed in its Base Currency whereas the investments held for the account of a Fund may be acquired in other currencies. A Fund's Net Asset Value may change significantly when the currencies other than the Base Currency in which some of the Fund's investments are denominated strengthen or weaken against the Base Currency. Currency exchange rates generally are determined by supply and demand in the foreign exchange markets and the perceived relative merits of investments in different countries. Currency exchange rates can also be affected unpredictably by intervention by Government or central banks or by currency controls or political developments.

In addition, currency hedging transactions, while potentially reducing the currency risks to which a Fund would otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty, as described above. In addition, where a Fund enters into "cross-hedging" transactions (e.g., utilising a

currency different from the currency in which the security being hedged is denominated), the Fund will be exposed to the risk that changes in the value of the currency used to hedge will not correlate with changes in the value of the currency in which the securities are denominated, which could result in loss on both the hedging transaction and the Fund securities.

Forward currency contracts involve the possibility that the market for them may be limited with respect to certain currencies and, upon a contract's maturity, possible inability to negotiate with the dealer to enter into an offsetting transaction. There is no assurance that a forward currency contract market will always exist. These factors restrict the ability to hedge against the risk of devaluation of currencies in which a substantial quantity of securities are being held for a Fund and are unrelated to the qualitative rating that may be assigned to any particular security. A description of forward currency contracts is set out in Appendix I.

As identified in the relevant Supplement where it is the intention to hedge currency risk at a Share class level, and where subscription monies and redemption monies are paid in a currency other than the Base Currency of a Fund, investors should be aware that there is an exchange rate risk if such other currencies depreciate against the Base Currency and consequently they may not realise the full amount of their investment in a Fund.

### **Share Class Hedging Risk**

A Class may be designated in a currency other than the Base Currency of the relevant Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency. The Investment Manager may, as set out in the Supplement for the relevant Fund, try to mitigate this risk using, for example, forward currency contracts within the conditions and limits imposed by the Central Bank. Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency/currencies in which the assets of the ICAV are denominated. In such circumstances, Shareholders of the Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gain/loss on and the costs of the relevant financial instruments.

### **Country Risk**

Investments in securities of issuers of different nations and denominated in different currencies involve particular risks. Such risks include changes in relative currency exchange rates, political and economic developments, the imposition of exchange controls, confiscation and other governmental restrictions. Investment in securities of issuers located in different countries offers potential benefits not available from investments solely in the securities of issuers located in a single country, but also involves certain significant risks that are not typically associated with investing in the securities of issuers located in a single country.

The volume of trading, the volatility of prices and the liquidity of securities may vary in the markets of different countries. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies is different throughout the world. The laws of some countries may limit a Fund's ability to invest in securities of certain issuers located in such countries.

Different markets also have different clearance and settlement procedures. Delays in settlement could result in temporary periods when a portion of the assets of the Fund are uninvested meaning no return may be earned thereon. The inability of a Fund to make intended investment purchases as a result of settlement problems may cause a Fund to miss attractive investment opportunities. The inability of a Fund to dispose of an investment as a result of settlement problems could result in a loss to a Fund as a consequence of a subsequent decline in value of such investment or, if a Fund has entered into a contract to sell such investment, in a possible liability to the purchaser. There may also be a risk that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by, or to be transferred to, a Fund. With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, imposition of withholding and/or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or

other assets of a Fund, political or social instability or diplomatic developments that may affect investments in those countries.

### **Sovereign Risk**

Government interference with international transactions in its currency or the debt obligations of itself or its nationals through various means, including, without limitation, regulation of the local exchange market, restrictions on foreign investment by residents, limits on flows of investment funds from abroad and debt moratoria, may expose a Fund, to unanticipated losses.

There are increasing concerns regarding the ability of multiple sovereign entities to continue to meet their debt obligations. In particular, ratings agencies have recently downgraded the credit ratings of various countries. Many economies are facing acute fiscal pressures as they struggle to balance budgetary austerity with stagnant growth. Many observers predict that a depressed economic environment will cause budget deficits in these economies to expand in the short term and further increase the perceived risk of a default, thereby rendering access to capital markets even more expensive and compounding the debt problem.

### **Systemic Risk**

Credit risk may also arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect intermediaries with which a Fund interacts.

### **Investing in Emerging Markets**

Where a Fund invests in emerging markets, such investments require consideration of certain risks typically not associated with investing in securities in more developed markets.

Numerous emerging market countries have recently experienced serious and potentially continuing, economic and political problems. Stock markets in many emerging countries are relatively small and risky. Investors are often limited in their investment and divestment activities. Additional restrictions may be imposed under emergency conditions. Emerging market securities may decline or fluctuate because of economic and political actions of emerging market governments and less regulated or liquid securities markets. Investors holding the securities are also exposed to emerging market currency risk (the possibility that that emerging market currency will fluctuate against the Base Currency of a Fund). The legal infrastructure and accounting, auditing and reporting standards in emerging market countries in which a Fund may invest may not provide the same degree of information to investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards.

The legal and regulatory environment is sometimes uncertain and the standards of corporate governance, accounting, auditing and reporting standards may not provide the same degree of investor information and protection as would apply in more developed markets. Furthermore, corporate governance, investor protection, settlement, clearing, registration and custody procedures may be underdeveloped which increases the risk of error, fraud or default.

Investors' attention is also drawn to the risks referred to as "**Liquidity and Settlement Risks**", "**Political Risks**" and "**Custodial / Depositary Risks**" in the sections set out below.

### **Liquidity and Settlement Risks**

The Funds will be exposed to a credit risk on parties with whom they trade and may also bear the risk of settlement default. Some of the markets in which the Funds will invest may be less liquid, less developed and more volatile than the world's leading stock markets and this may result in fluctuations in the price of the Shares. In addition, market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risks to a Fund and may involve delays

in obtaining accurate information on the value of securities (which may as a result affect the calculation of the Net Asset Value).

Any proposed investment in markets where custodial and/or settlement systems are not fully developed will be disclosed in the relevant Supplement. Shareholders should also note that settlement mechanisms in emerging and less developed markets are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for a Fund in respect to investments in emerging markets.

### **High Yield/Sub-Investment Grade Securities Risk**

Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term issuer and market developments to a greater extent than higher-rated securities which react primarily to fluctuations in the general level of interest rates. High yield bonds with lower credit ratings (also known as sub-Investment Grade bonds) are potentially more risky (higher credit risk) than Investment Grade bonds.

During an economic downturn or a sustained period of rising interest rates, highly leveraged issuers of high yield securities may experience financial stress and may not have sufficient revenues to meet their interest payment obligations. There are fewer investors in lower-rated securities, and it may be harder to buy and sell securities at an optimum time.

### **Political Risks**

The performance of a Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, military conflict and civil unrest, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements.

### **Custodial / Depositary Risks**

All banks, depositaries, custodians, brokers and dealers with which a Fund will be doing business, may encounter financial difficulties that impair the operational capabilities or capital position of the Fund. Although the Investment Manager intends to limit each Fund's direct investment transactions in transferable securities to transferable securities listed on Recognised Markets, when permitted by the investment restrictions set out in the section entitled "INVESTMENT RESTRICTIONS" above, the Investment Manager will generally have sole discretion to select the financial institutions through which their investment transactions are executed for the underlying investments.

The Funds will be subject to credit risk with respect to the Depositary and the delegates, if any.

In addition, certain of a Fund's assets may be held by entities other than the Depositary and its delegates. For example, a Fund may provide certain of its assets as collateral to counterparties or brokers in connection with derivatives contracts. If a Fund has over-collateralised derivative contracts, it is likely to be an unsecured creditor of any such counterparty or broker in the event of its insolvency.

A Fund may invest in markets including emerging market countries as defined in the relevant Supplement where trading, custodial and/or settlement systems are not fully developed. A Fund may invest in markets including emerging market countries as defined in the relevant Supplement where trading, custodial and/or settlement systems are not fully developed. Sub-custodians within the Sub-Custodian's global network as listed in Appendix III within such emerging markets may not be able to offer the level of safe-keeping, settlement and administration of securities that is customary in more developed markets and assets held by such sub-custodians in such markets may be subject to increased risk (including risk that the such Fund will not be recognised as the owner of securities held on its behalf by such sub-custodian).

In particular, investors should be aware that there is a heightened depositary risk for Funds which may invest in certain countries (including Emerging Marketing Countries) outside of the EU (each a "**third**

country”) where the laws of the third country require that the financial instruments are held in custody by a local entity and no local entities satisfy the delegation requirements in the Regulations. Accordingly, such entities may not be subject to effective prudential regulation and supervision in the third country or subject to external audit to ensure that the financial instruments are in its possession. In such circumstances, the Depositary may delegate its custody duties under the Depositary Agreement to such a local entity only to the extent required by the law of the third country and only for as long as there are no local entities that satisfy the delegation requirements in the Regulations, and only where: (i) Shareholders of the relevant Fund are duly informed, prior to their investment, of the fact that such a delegation is required due to legal constraints in the law of the third country, of the circumstances justifying the delegation and of the risks involved in such a delegation; and (ii) the Manager or the ICAV, has instructed the Depositary to delegate the custody of such financial instruments to such a local entity.

### **Cybersecurity Risk**

Cybersecurity breaches may occur allowing an unauthorised party to gain access to assets of the Funds, Shareholder data, or proprietary information, or may cause the ICAV, the Manager, Investment Manager, any sub-investment manager, any investment advisor, the Administrator or the Depositary to suffer data corruption or lose operational functionality.

Although the parties noted above have implemented measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, significant investment may be required to fix or replace them. In addition, there are inherent limitations in such measures, including the possibility that certain risks have not been identified. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of a Fund, the Investment Manager, the Administrator, the Depositary and/or the issuer of a security in which a Fund invests and may result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could also harm a Fund's, the Investment Manager's, the Administrator's, the Depositary's and/or an issuer's reputation, subject such entity and its affiliates to legal claims and otherwise affect their business and financial performance. When such issues are present with regard to an issuer of a security in which a Fund invests, the Fund's investment in such securities may lose value.

In particular, a Fund may be affected by intentional cybersecurity breaches which include unauthorised access to systems, networks, or devices (such as through “hacking” activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of Shareholder data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause the ICAV, the Manager, the Investment Manager, any sub-investment manager, any investment advisor, the Administrator, the Depositary, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. Consequently, Shareholders may lose some or all of their invested capital. In addition, such incidents could affect issuers in which a Fund invests, and thereby cause a Fund's investments to lose value, as a result of which investors, including the relevant Fund and its Shareholders, could potentially lose all or a portion of their investment with that issuer.

### **Share Currency Designation Risk**

A Class may be designated in a currency other than the Base Currency of that Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency. Unless otherwise set out in the relevant Fund Supplement, the Investment Manager will try to mitigate this risk using forward currency contracts and within the conditions and limits imposed by the Central Bank. A description of forward currency contracts is set out in Appendix I. A Class may not be leveraged as a result of the use of such techniques and instruments, the value of which may be up to but may not exceed 105% of the Net Asset Value attributable to the relevant Class and may not fall below 95% of the Net Asset Value attributable to the relevant Class. While it is not the intention of the ICAV to have over or under hedged positions, this may arise due to circumstances outside the ICAV's control. Hedged positions will be kept under

review to ensure that over-hedged positions do not exceed the permitted level and under-hedged positions do fall below the permitted level. This review will also incorporate a procedure to ensure that positions materially in excess of 100% and any under-hedged positions will not be carried forward from month to month. Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency/currencies in which the assets of the ICAV are denominated. In such circumstances, Shareholders of the Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gain/loss on and the costs of the relevant financial instruments.

Although hedging strategies may not necessarily be used in relation to each Class within a Fund, the financial instruments used to implement such strategies shall be assets/liabilities of the relevant Fund as a whole. However, all gains/losses on and the costs of the relevant financial instruments at a portfolio level will be allocated on a pro rata basis to the classes. All gains/losses on and the costs of the relevant financial instruments relating to class specific hedging will accrue solely to the relevant Class. Transactions will be clearly attributable to a specific Share Class (therefore currency exposure of different currency Classes may not be combined or offset) and currency exposures of the assets of a Fund may not be allocated to separate Share Classes. Where no hedging strategy is used to hedge currency risk a currency conversion will take place on subscription, redemption, switching and distributions at prevailing exchange rates.

### **General Fixed Income Security Considerations**

A Fund may invest in bonds and other fixed income securities. Debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to the risk of price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness or financial condition of the issuer, and general market liquidity (i.e., market risk).

A Fund may invest in fixed income securities which are unrated by a recognised credit-rating agency or rated below investment grade and which are subject to greater risk of loss of principal and/or interest than higher-rated debt securities. A Fund may invest in debt securities which rank junior to other outstanding securities and obligations of a particular issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. A Fund may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. A Fund may therefore be subject to increased credit, liquidity and interest rate risks. In addition, evaluating credit risk for rated debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.

### **Distressed and High-Yield Securities**

Investments in the securities of financially troubled companies may involve substantial financial and business risks, which are often heightened by an inability to obtain reliable information about the companies and their true financial condition. Investments in companies that are or become involved in bankruptcy or reorganisation proceedings also may be adversely affected by the laws of one or more jurisdictions in relation to, among other things, "fraudulent conveyances" and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. There is always the risk (both in and out of bankruptcy) that a reorganisation will be unsuccessful (due to, for example, failure to obtain requisite approvals), or significantly delayed (for example, until various liabilities, actual or contingent, have been satisfied or negotiated) or will result in a distribution of cash or new securities the value of which is less than the purchase price to the Fund of the securities in respect of which such distribution was made. In addition, the markets for distressed and high yield securities are subject to abrupt and erratic price movements and excessive price volatility and are frequently illiquid. Distressed securities investing requires active monitoring and may at times, require participation in bankruptcy or reorganisation proceedings by the Investment Manager on behalf of a Fund. In such event, a Fund may have more active participation in the affairs of the issuer than that generally assumed by a passive investor.

Reorganisations may be contentious and adversarial. It is by no means unusual for participants to use the threat of, as well as actual, litigation as a negotiating technique. The Investment Manager, the Manager and/or the ICAV in respect of a Fund may be participants in civil proceedings related to

distressed investments. The costs of any such proceedings, including settlements, judgments and indemnification obligations will be deemed investment expenses and will be borne directly or indirectly by that Fund.

Reorganisation of companies may not be successful, nor improve their operating performance. Liquidations may yield significantly lower proceeds than originally expected. A Fund may lose its entire investment in such companies or may be required to accept cash or securities with a value less than a Fund's original investment, and/or may be required to accept payment over an extended period of time.

### **Below "Investment Grade" Debt Securities**

A Fund may invest in debt securities which may be below "investment grade" and are subject to uncertainties and exposure to adverse business, financial or market conditions which could lead to the issuer's inability to make timely interest and principal payments. The market values of these securities tend to be more sensitive to individual corporate developments and general economic conditions than those of higher rated securities.

### **Unsecured and Subordinated Investments**

Although a Fund may invest in secured and senior obligations, distressed securities purchased by a Fund will be subject to certain additional risks to the extent that such securities may be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such securities may not be protected by financial covenants or limitations upon additional indebtedness.

### **Stock Market Risk**

A Fund's Net Asset Value will move up and down in reaction to stock market movements. Stock prices change daily in response to company activity and general economic and market conditions. A Fund's investments in common stocks and other equity securities are subject to stock market risk, which is the risk that the value of equity securities may decline. Also, equity securities are subject to the risk that a particular issuer's securities may decline in value, even during periods when equity securities in general are rising. Additional stock market risks may be introduced when a particular equity security is traded on a foreign market. For more detail on the related risks involved in foreign markets, see "Foreign Exposure Risks" below.

### **Foreign Exposure Risk**

Investing in foreign securities, including depository receipts, or securities of entities with significant foreign operations, involves additional risks which can affect a Fund's performance. Foreign markets, particularly emerging markets, may be less liquid, more volatile and subject to less government supervision than an investor's home market. There may be difficulties enforcing contractual obligations, and it may take more time for transactions to clear and settle. Less information may be available about foreign entities. The costs of buying and selling foreign securities, including tax, brokerage and custody costs, may be higher than those involving domestic transactions. The specific risks of investing in foreign securities include:

*Currency Risk:* The values of foreign investments may be affected by changes in currency rates or exchange control regulations. If the local currency gains strength against the domestic currency, the value of the foreign security increases in domestic currency terms. Conversely, if the local currency weakens against the domestic currency, the value of the foreign security declines in domestic security terms. Unless set out in the relevant Fund Supplement, the Investment Manager do not intend to hedge the resulting currency exposures back into the Base Currency, although they may do so at their discretion.

*Regulatory Risk:* Foreign companies often are not subject to uniform accounting, auditing and financial reporting standards or to other regulatory practices and requirements.

### **Limitations on Redemptions**

There is no secondary market for Shares and no market is expected to develop. An investment in a Fund should be considered only by persons financially able to maintain their investment and who can afford a loss of all or a substantial part of such investment. Shareholders may only redeem Shares as described in this Prospectus. Redemption rights may be deferred or suspended under certain circumstances. Redemptions may also be satisfied, in whole or in part, by distributing securities in specie.

### **Effect of Substantial Redemptions**

Substantial redemptions by Shareholders within a short period of time could require a Fund to liquidate securities positions or other investments more rapidly than would otherwise be desirable, possibly reducing the value of a Fund's assets and/or disrupting the Investment Manager's investment strategy. Reduction in the size of a Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in a Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

### **Concentration Risk**

A Fund's investments may be concentrated in a particular country or region, in a select group of issuers, or both. When a Fund's investments are concentrated in a particular country or region, the Fund's performance may be closely tied to economic and political conditions within that country or region. A Fund that concentrates its investments in a select group of issuers can be more volatile than the market as a whole because changes in the financial condition of an issuer or changes in economic or political conditions that affect a particular type of security or issuer can affect the value of an issuer's securities. For these reasons, a concentrated Fund's performance may be more volatile than the performance of more diversified Funds/funds.

### **Leverage and Financing Risk**

A Fund may leverage its capital to the extent and as provided in its Supplement.

While leverage presents opportunities for increasing a Fund's total return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by a Fund would be magnified by the extent to which a Fund is leveraged.

The cumulative effect of the use of leverage by the Fund in a market that moves adversely to a Fund's investments could result in a substantial loss to that Fund, which would be greater than if a Fund were not leveraged.

### **Borrowings**

Under the Regulations, a Fund may borrow up to 10% of its assets provided this borrowing is on a temporary basis. A Fund may not borrow money, grant loans or act as guarantor on behalf of third parties. Such borrowings may increase the risks attached to an investment in Shares in a Fund.

### **Interest Rate Risk**

Bond prices rise when interest rates decline and decline when interest rates rise. The longer the duration of a bond, the more a change in interest rates affects the bond's price. Short-term and long-term interest rates may not move the same amount and may not move in the same direction. This may result in the amount realised on the sale of Shares being less than the original amount invested.

### **Derivative Securities Risk**

In relation to investment in financial derivative instruments, the use of these instruments involves special risks including:

*(i) dependence on the ability to predict movements in the prices of securities and other underlyings of the financial derivative instruments including interest rates and currencies;*

The use of derivatives may result in greater returns but may entail greater risk for your investment. Derivatives may be used as a means of gaining indirect exposure to a specific asset, rate or index and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. Use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other investments. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index.

*(ii) imperfect correlation between the financial derivative instruments and the securities or market sectors to which they relate (e.g., "cross-hedging" transactions, which are described under the heading "Foreign Exchange Risk" above);*

Investing in a derivative instrument could cause the relevant Fund to lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that such Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

*(iii) greater volatility than the securities and/or markets to which they relate;*

The prices of derivative instruments are highly volatile. Price movements of derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, national and international political and economic events, changes in local laws and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

*(iv) liquidity risk when, for example, a particular derivative instrument is difficult to purchase or sell;*

Reduced liquidity for securities in the market can also create difficulties with valuing securities. Where a Fund is unable to sell illiquid securities at a time and price which is of benefit to the Fund this could have a negative impact on the Net Asset Value of the Fund.

*(v) market risk, where the market value of the financial derivative instrument changes in a way that is detrimental to a Fund;*

This is a general risk that applies to all investments, including FDIs, meaning that the value of a particular FDI may go down as well as up in response to changes in market factors. A Fund may also use FDIs to short exposure to some investments. Should the value of such investments increase rather than fall, the use of FDIs for shorting purposes will have a negative effect on the Fund's value and in extreme market conditions may, theoretically, give rise to unlimited losses for the Fund. Should such extreme market conditions occur, investors could, in certain circumstances, therefore face minimal or no returns, or may even suffer a loss on their investment in that particular Fund.

*(vi) potential conflicts of interest;*

Investors should also be aware that from time to time, a Fund may engage with counterparties and/or agents that are related parties to the Depositary or other service providers of the ICAV. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the ICAV. Please refer to section the section entitled "Conflicts of Interest" for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the ICAV's semi-annual and annual reports.

*(vii) counterparty risk, where the counterparty with which a Fund trades becomes insolvent, bankrupt or defaults;*

Please refer to section the risk factor entitled "Counterparty Risk" for further details.

*(viii) settlement risk, where a counterparty defaults in settling a trade;*

Please refer to the risk factor entitled "Settlement Risks" for further details.

*(ix) legal risk, where the enforceability of a financial derivative instrument contract may be an issue;  
and*

Please refer to the risk factor entitled "Country Risk" for further details.

*(x) reliance on the skill set of the Investment Manager where the skills needed to invest successfully  
may be different from those needed for other types of investments.*

### **Efficient Portfolio Management Risk**

The ICAV on behalf of a Fund may enter into trading arrangements in relation to the Investments for efficient portfolio management purposes with counterparties and agents that are related parties to the Depositary or the ICAV's other service providers. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the ICAV. Please refer to the section entitled "*Conflicts of Interest*" herein for further details on how these conflicts are handled.

### **Securities Lending Arrangements**

The Funds may make secured loans of portfolio securities in accordance with the Central Bank requirements set out under the heading "Techniques and Instruments, including the use of Repurchase/Reverse Repurchase and Securities Lending Agreements, for the purposes of Efficient Portfolio Management" below and as disclosed in the relevant Supplement. The risks in lending portfolio securities, as with other extensions of credit, consist of the possible delay in the recovery of the securities or possible loss of rights in the collateral should the borrower fail financially. However, such loans will be made only to broker-dealers that meet with the minimum credit rating requirements of the Manager in accordance with the Central Bank's requirements set out under the heading "Techniques and Instruments, including the use of Repurchase/Reverse Repurchase and Securities Lending Agreements, for the purposes of Efficient Portfolio Management" below.

The borrower pays to the lender an amount equal to any dividends or interest paid with respect to the securities lent. There is a risk that the collateral held by a Fund may decline in value and this risk will be borne by that Fund, which will be required to re-purchase the securities lent at the agreed repurchase price. In the case of loans collateralised by cash, the lender typically pays a fee to the borrower. Although voting rights or rights to consent with respect to the loaned securities pass to the borrower, the lender retains the right to call the loans at any time on reasonable notice, and it will do so in order that the securities may be voted by the lender if the holders of such securities are asked to vote upon or consent to matters materially affecting the investment. However, the relevant Fund bears the risk of delay in the return of the security, which may affect its ability to exercise its voting rights attaching to such security. A Fund may also call such loans in order to sell the securities involved. The Manager would expect to engage a lending agent, on behalf of the relevant Fund, that would be compensated based on a percentage of the return of such Fund with respect to the transactions handled by such lending agent. A Fund would also pay various fees in connection with such loans including shipping fees and reasonable depositary fees. The risks outlined under the heading "Derivatives Securities Risks" are also relevant to a Fund which engages in securities lending.

### **Collateral and Re-use Arrangements**

The terms of hedging arrangements and other derivative transactions entered into by a Fund may provide that collateral given to, or received by, such Fund may be pledged, lent, re-hypothecated or otherwise re-used by the collateral taker for its own purposes. If collateral received by a Fund is re-invested or otherwise re-used, that Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and a Fund will have less protection if the counterparty defaults. Similarly, if the counterparty re-invests or otherwise re-uses collateral received from a Fund and suffers a loss as a result, it may not be in a position to return that collateral to a Fund should the relevant transaction complete, be unwound or otherwise terminate and that Fund is exposed to the risk of loss of the amount of collateral provided to the counterparty.

## **Other Risks**

The ICAV will be responsible for paying its fees and expenses regardless of the level of its profitability. In view of the fact that an initial charge may be payable on a subscription by an investor any investment in a Fund should be regarded as a medium to long term investment.

## **Third Party Service Providers**

The ICAV does not have any employees and the Directors have been appointed on a non-executive basis. The ICAV is therefore reliant upon the performance of third party service providers for their executive functions. In particular, the Manager, the Investment Manager, any sub-investment manager, any investment advisor, the Administrator and the Depositary will be performing services which are integral to the operation of the ICAV. Failure by any service provider to carry out its obligations to the ICAV in accordance with the terms of its appointment could have a materially detrimental impact upon the operations of the ICAV.

## **Possible Indemnification Obligations**

The ICAV has agreed, or may agree, to indemnify the Directors, the Manager, the Investment Manager, any sub-investment manager, any investment advisor, the Administrator, the Depositary and banks, brokers, dealers, counterparties and others, under various agreements entered into with such persons, against certain liabilities they or their respective directors, officers, affiliates or agents may incur in connection with their relationships with the ICAV.

## **Changes to Share Value**

It should be appreciated that the value of Shares and the income from them may fall as well as rise, and that investors may not get back the amount they have invested. Changes in exchange rates may cause the value of Shares to go up or down. Details of certain investment risks for an investor are set out above.

## **Legal and Tax Requirements**

Persons interested in purchasing Shares should inform themselves as to (a) the legal requirements within their own countries for the purchase of Shares, (b) any foreign exchange restrictions which may be applicable, and (c) the income and other tax consequences of purchase, conversion and redemption of Shares.

The difference, at any one time, between the sale and repurchase price of the Shares means that any investment in the ICAV should be viewed in the medium to long term. Initial applications will be processed upon receipt by the Administrator of both the Application Form and cleared funds. Subsequent purchases will be processed upon receipt of trade instructions and cleared funds.

Specific risk warnings in relation to particular Funds are contained in the relevant Supplement.

The ICAV will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the yield and risk characteristics of the main categories of investments of the Funds.

## **European Union's Taxation of Savings Income Directive**

Under the European Union's Taxation of Savings Income in the form of Interest Payments directive, professional obligations have been outlined to ensure that interest payments made in one EU member state to individuals resident in another EU member state are subject to effective taxation in accordance with the laws of their EU member state. As a result of such provisions, it is necessary to ascertain the tax identification number of subscribers. Accordingly subscribers will be required to provide their tax identification number to the ICAV. Such information will be collected for compliance reasons only and shall not be disclosed to unauthorised persons.

## **Umbrella Structure of the ICAV**

Pursuant to Irish law, the ICAV should not be liable as a whole to third parties and there should not be the potential for cross contamination of liabilities between different funds. However, there can be no categorical assurance that, should an action be brought against the ICAV in the courts of another jurisdiction, that the segregated nature of the Funds will necessarily be upheld.

### **Risks associated with the Operation of an Umbrella Cash Account**

The ICAV has established an Umbrella Cash Account through which all subscriptions, redemptions and dividends payable to a Shareholder from any Fund will be processed. With respect to receipt of subscription monies, any such monies received (i) prior to the relevant Subscription Settlement Deadline will be held in the Umbrella Cash Account until the Shares are issued and the subscription monies are transferred to the Fund's operating account; or (ii) with insufficient documentation to identify the applicant will be held in the Umbrella Cash Account until the applicant is identified, the Shares are issued and the subscription monies are transferred to the Fund's operating account. As a result, the applicant will be a creditor (and is subject to the risk of becoming an unsecured creditor in the event of the insolvency of the relevant Fund). Accordingly, applicants are advised to ensure that subscription monies are received on the day of the Subscription Settlement Deadline and that the applicant is clearly identified to reduce this risk.

Where the relevant anti-money laundering documentation has not been received by the ICAV or the Administrator, this may result in a delay in the settlement of redemption proceeds or dividend payments. In such circumstances, the Administrator will process any redemption request received by a Shareholder and by doing so that investor is no longer considered a Shareholder. However, Shareholders should note that any redemption proceeds and any sums payable by way of dividend being paid out by a Fund will be held in the Umbrella Cash Account until such time as the Administrator is satisfied that anti-money-laundering procedures have been fully complied with. Any redemption proceeds or dividend payments held for any time in the Umbrella Cash Account shall remain an asset of the relevant Fund. As a result, the Shareholder shall be a creditor (and is subject to the risk of becoming an unsecured creditor in the event of the insolvency of the relevant Fund) with respect to monies held in the Umbrella Cash Account. Accordingly, Shareholders are advised to promptly provide the ICAV or Administrator (as appropriate) with all documentation requested to reduce this risk.

As a result of the segregated liability between each of the Funds, the amounts in the Umbrella Cash Account relating to a Fund will not be available to the other Funds in the event of the insolvency of a Fund. However there may be circumstances where, through an error in the operation of the Umbrella Cash Account, money was transferred to an insolvent Fund which belongs to another Fund and there may be issues with recovering such amounts due to the insolvency of that Fund. In addition, there can be no assurance that the segregated nature of the Funds will necessarily be upheld in the courts of another jurisdiction.

### **Reinvestment of Cash Collateral Risk**

As a Fund may reinvest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, that Fund will be exposed to the risk associated with such investments, such failure or default of the issuer of the relevant security.

### **Electronic Delivery of Information**

Information relating to a Shareholder's investment in a Fund may be delivered electronically. There are risks associated with such electronic delivery including, but not limited to, that email messages are not secure and may contain computer viruses or other defects, may not be accurately replicated on other systems, or may be intercepted, deleted or interfered with without the knowledge of the sender or the intended recipient.

### **Eurozone Crisis**

The current economic situation in the Eurozone has created significant pressure on certain European countries regarding their membership of the Euro. Some economists advocate the exit of certain countries from the Eurozone, and political movements in some Eurozone countries also promote their country's exit from the Eurozone for economic or political reasons, or both. It is possible that one or more countries may leave the Eurozone and return to a national currency (which may also result in them

leaving the EU) and/or that the Euro will cease to exist in its current form, or entirely, and/or lose its legal status in one or more of the current Eurozone countries. There are no historical precedents for this type of event, and the effects of any such event on a Fund are therefore impossible to predict. However, any of these events might, for example: (a) cause a significant rise or fall in the value of the Euro against other currencies; (b) significantly affect the volatility of currency exchange rates (particularly for the Euro) and of the prices of other assets; (c) significantly reduce the liquidity of some or all of a Fund's investments (whether denominated in the Euro or another currency) or prevent a Fund from disposing of them at all; (d) change, through operation of law, the currency denomination of cash, securities, transactions and/or other assets of a Fund that are currently denominated in the Euro to the detriment of a Fund or at an exchange rate that the Investment Manager or the Fund considers unreasonable or wrong; (e) adversely affect a Fund's ability to enter into currency hedging transactions and/or increase the costs of such transactions (which may prevent a Fund from allocating losses on currency hedging transactions in accordance with their usual allocation policies, or from protecting certain share classes against exposure to foreign exchange rates through hedging); (f) affect the validity or interpretation of legal contracts on which a Fund relies; (g) adversely affect the ability of a Fund to make payments of any kind or to transfer any of its funds between accounts; (h) increase the probability of insolvency of, and/or default by, its counterparties (including the Depositary and account banks); (i) and/or result in action by national governments or regulators which may be detrimental or which may serve to protect certain types of market participants at the expense of others. Such factors could, individually or in combination with each other, impair a Fund's profitability or result in significant losses, prevent or delay a Fund from being able to value its assets and/or calculate the Net Asset Value and affect the ability of a Fund to redeem Shares and make payments of amounts due to Shareholders. Although the Investment Manager and the Directors might be able to identify some of the risks relating to the possible events described above, there might be no practicable measures available to them that would reduce the impact of such events on a Fund.

### **Global Financial Market Crisis and Governmental Intervention**

The financial crisis of 2008 and its consequences for global financial markets have created extraordinary uncertainties. The extent to which the underlying causes of instability have the potential to cause further instability remains unclear, but they have led to extensive and unprecedented governmental intervention. Regulators in many jurisdictions have implemented a number of wide-ranging emergency regulatory measures. Intervention has, in certain cases, been implemented on an "emergency" basis and there can be no guarantee that any further emergency measures will not affect the ability of market participants to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, due to the uncertain stability of global financial institutions, the security of assets held by any financial institution cannot be guaranteed, notwithstanding the terms of any agreement with such institution. Given the complexities of the global financial markets and the limited time frame within which governments have been able to take action, these interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies.

It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the ability of the Investment Manager to implement a Fund's investment objective. However, the Investment Manager believes that there is a likelihood of increased regulation of the global financial markets, and that such increased regulation could be materially detrimental to the performance of a Fund's portfolio.

### **United Kingdom's Exit from the European Union**

The United Kingdom left the European Union on 31 January 2020 ("**Brexit**") and the transitional period of 11 months post Brexit, during which the UK remained in both the EU customs union and the single market ended on 31 December 2020. The European Union, the European Atomic Energy Community ("**Euratom**") and the UK entered into the EU-UK Trade and Cooperation Agreement on 30 December 2020 which has been applied since 1 January 2021. The full effects of Brexit are uncertain and depend on how closely the UK will be connected to the EU legislative framework post the expiry of the transitional provisions under the EU-UK Trade and Cooperation Agreement.

The United Kingdom's decision to leave the European Union has caused significant volatility in global financial markets and uncertainty about the integrity and functioning of the European Union, both of which may persist for an extended period of time. The United Kingdom's decision to leave the European

Union will likely have a number of significant long term effects, including, but not limited to, impacts on trade within Europe, foreign direct investment in Europe, the scope and functioning of European regulatory frameworks (including with respect to the regulation of UK-based investment managers and the distribution and marketing of AIFs), industrial policy pursued within European countries, immigration policy pursued within European countries, the regulation of the provision of financial services within and to persons in Europe and trade policy within European countries and internationally. The volatility and uncertainty caused by the referendum may adversely affect the value of a Fund's Investments and the ability to achieve the investment objective of a Fund.

#### **Availability of Investment Strategies**

The success of a Fund's investment activities depends on the Investment Manager's ability to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the financial markets, as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by a Fund will involve a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy all of a Fund's assets or to exploit discrepancies in the securities and derivatives markets. A reduction in market liquidity or the pricing inefficiency of the markets in which a Fund seeks to invest, as well as other market factors, will reduce the scope for a Fund's investment strategies.

#### **Business Risk**

There can be no assurance that a Fund will achieve its investment objective. The investment results of a Fund are reliant upon the success of the Investment Manager.

Funds compete with other funds and market participants (such as public or private investment funds and the proprietary desks of investment banks) for investment opportunities. The number of such funds and market participants and the scale of the assets managed by such entities may increase. Such competitors may be substantially larger and have considerably greater financial, technical and marketing resources than are available to a Fund or they may also have a lower cost of capital and access to funding sources that are not available to a Fund, which may create competitive disadvantages with respect to investment opportunities. The net effect of these developments may be to reduce the opportunities available for the Investment Manager to generate returns and/or to reduce the quantum of these returns. Historic opportunities for some or all hedge fund strategies may be eroded over time whilst structural and/or cyclical factors may reduce investment opportunities for the Investment Manager thereby temporarily or permanently reducing the potential returns of a Fund.

#### **Counterparty Insolvency**

The stability and liquidity of over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transactions. If there is a default by the counterparty to such a transaction, a Fund will, under most normal circumstances, have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual remedies may involve delays or costs which could result in the Net Asset Value of a Fund being less than if a Fund had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent. If one or more of a Fund's counterparties were to become insolvent or the subject of liquidation proceedings in the United States (either under the United States Securities Investor Protection Act or the United States Bankruptcy Code), there is a risk that the recovery of a Fund's securities and other assets from such counterparty will be delayed or be of a value less than the value of the securities or assets originally entrusted to such counterparty.

In addition, a Fund may use counterparties located in various jurisdictions around the world. Such counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to a Fund's assets will be subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalise about the effect of their insolvency on a Fund and its assets. Prospective investors should assume that the insolvency of any counterparty would result in a loss to a Fund, which could be material.

## **Counterparty Risk**

The ICAV on behalf of a Fund may enter into transactions in over-the-counter markets, which will expose a Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. The ICAV on behalf of a Fund may enter into future contracts which may expose a Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the ICAV seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the derivatives are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred.

During an insolvency procedure (which may last many years) the use by a Fund of certain of its assets held by a counterparty may be restricted and accordingly (a) the ability of the Investment Manager to fulfil the investment objective may be severely constrained, (b) a Fund may be required to suspend the calculation of the Net Asset Value and as a result subscriptions for and redemptions of Shares, and/or (c) the Net Asset Value may be otherwise affected. During such a procedure, a Fund is likely to be an unsecured creditor in relation to certain assets (including those in respect of which it had previously been a secured creditor) and accordingly a Fund may be unable to recover such assets from the insolvent estate of the counterparty in full, or at all.

## **Financing Arrangements: Availability of Credit**

Leverage may be an integral part of a Fund's strategies and may include the use of securities margin, futures margin, margined option premiums, repurchase agreements, bank or dealer credit lines or the notional principal amounts of FDI transactions. There can be no assurance that a Fund will be able to maintain adequate financing arrangements under all market circumstances.

Where a Fund makes use of leverage to initiate long or short positions and the positions decline in value, it will usually be subject to a "margin call", pursuant to which it must either deposit additional funds with the lender or be subject to sanctions such as the mandatory liquidation of securities over which the lender has been granted security or a mandatory termination of all outstanding contracts with the lender and a claim for compensation for any losses incurred by the lender. In some cases a margin call may be made even if the relevant positions have not declined in value. A Fund would normally satisfy such margin calls in cash or acceptable collateral from its assets and, to the extent that such collateral were insufficient, would liquidate certain assets to raise cash in order to satisfy the relevant margin call. In the event of a large margin call, the Investment Manager might not be able to liquidate assets quickly enough to pay off the margin liability.

As a general matter, the banks and dealers that may provide financing to a Fund can apply essentially discretionary margin, "haircuts", financing and security and collateral valuation policies. Banks and dealers could change these policies at any time, for any reason, including a change in market circumstances, government, regulatory or judicial action or simply a change in the policy of the relevant bank. Changes by banks and dealers to one or more of these policies, or the imposition of other credit limitations or restrictions may be applied retrospectively to existing contracts as well as prospectively to contemplated future dealing. Whilst the Investment Manager may seek to limit the rights of lenders to apply such retrospective changes, any such limitation will be subject to the agreement of the relevant lender, which may not be forthcoming. Retrospective changes may result in large margin calls, loss of financing, forced liquidations of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other banks and dealers. Prospective changes may result in the inability of the Investment Manager to fulfil the investment objective. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants simultaneously. The imposition of any such limitations or restrictions could compel a Fund to liquidate all or part of its portfolio at disadvantageous prices, perhaps leading to a complete loss of a Fund's equity.

## **Collateral Risk**

Collateral or margin may be passed by a Fund to a counterparty or broker in respect of OTC FDI transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy. Where collateral is posted to a counterparty or broker by way of title transfer, the collateral may be re-used by such counterparty or broker for their own purpose, thus exposing the relevant Fund to additional risk.

Risks related to a counterparty's right of re-use of any collateral include that, upon the exercise of such right of re-use, such assets will no longer belong to the relevant Fund and such Fund will only have a contractual claim for the return of equivalent assets. In the event of the insolvency of a counterparty, the relevant Fund shall rank as an unsecured creditor and may not recover its assets from the counterparty. More broadly, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which the relevant Fund or its delegates will not have any visibility or control.

### **Investing in Debt Securities Risk**

The prices of debt securities (often referred to as "fixed income" securities) fluctuate in response to perceptions of the issuer's creditworthiness and also tend to vary inversely with market interest rates. The value of such securities is likely to decline in times of rising interest rates. Conversely, when rates fall, the value of these investments is likely to rise. Typically, the longer the time to maturity the greater are such variations. A Fund investing in fixed income securities will be subject to credit risk (i.e. the risk that an issuer of securities will be unable or unwilling to pay principal and interest when due, or that the value of a security will suffer because investors believe the issuer is less able or willing to pay). This is broadly gauged by the credit ratings of the securities in which a Fund invests. However, ratings are only the opinions of the agencies issuing them and are not absolute guarantees as to quality.

Not all government securities are backed by the full faith and credit of the relevant national government. Some are backed only by the credit of the issuing agency or instrumentality. Accordingly, there is at least a chance of default on these government securities in which the Funds may invest, which may subject a Fund to additional credit risk.

To the extent a Fund invests in medium or low-rated securities and unrated securities of comparable quality, the Fund may realise a higher current yield than the yield offered by higher-rated securities, but investment in such securities involves greater volatility of price and risk of loss of income and principal, including the probability of default by or bankruptcy of the issuers of such securities. Low-rated and comparable unrated securities (collectively referred to as "low-rated" securities) likely have quality and protective characteristics that, in the judgment of a rating organisation, are outweighed by large uncertainties or major risk exposures to adverse conditions, and are predominantly speculative with respect to an issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation.

When economic conditions appear to be deteriorating, these medium or low-rated securities may decline in value due to heightened concern over credit quality, regardless of the prevailing interest rates. Investors should carefully consider the relative risks of investing in high yield securities and understand that such securities are not generally meant for short-term investing.

Adverse economic developments can disrupt the market for low-rated securities, and severely affect the ability of issuers, especially highly leveraged issuers, to service their debt obligations or to repay their obligations upon maturity, which may lead to a higher incidence of default on such securities. Low-rated securities are especially affected by adverse changes in the industries in which the issuers are engaged and by changes in the financial condition of the issuers.

Debt securities rated below BBB- (or its equivalent) and comparable unrated securities are considered below investment grade and are commonly known as "junk bonds". They are considered to be of poor standing and mainly speculative, and those in the lowest rating category may be in default and are generally regarded by the rating agency as having extremely poor prospects of attaining any real investment standing. The lower ratings of these debt securities reflect a greater possibility that the issuer may be unable or unwilling to make timely payments of interest and principal and thus default. If this happens, or is perceived as likely to happen, the values of those debt securities will usually be more volatile. A default or expected default could also make it difficult for the Fund to sell the debt

securities at prices approximating the values the Fund had previously placed on them. Because junk bonds are traded mainly by institutions, they usually have a limited market, which may at times make it difficult for the Fund to establish their fair value.

### **Operational Risks - Custodial / Depositary Risks**

All banks, depositaries, custodians, brokers and dealers with which a Fund will be doing business, may encounter financial difficulties that impair the operational capabilities or capital position of the Fund.

The Depositary and its delegates, if any, will have custody of a Fund's assets including securities, cash, distributions and rights accruing to the Funds' securities accounts. If the Depositary or a delegate holds cash on behalf of a Fund, the Fund may be an unsecured creditor in the event of the insolvency of the Depositary or delegate. As such, there can be no assurance that holding cash and/or securities through the Depositary or its delegates will eliminate custodial risk.

As such, the Funds will be subject to credit risk with respect to the Depositary and the delegates, if any.

In addition, certain of a Fund's assets may be held by entities other than the Depositary and its delegates. For example, a Fund may provide certain of its assets as collateral to counterparties or brokers in connection with derivatives contracts. The Fund will be exposed to credit risk on such parties.

A Fund may invest in markets including emerging market countries as defined in the relevant Supplement where trading, custodial and/or settlement systems are not fully developed. The assets of a Fund which are traded in such markets and which have been entrusted to sub-custodians in circumstances where the use of sub-custodians is necessary may be exposed to risk.

In particular, investors should be aware that there is a heightened depositary risk for Funds which may invest in certain countries (including emerging market countries) outside of the EU (each a "third country") where the laws of the third country require that the financial instruments are held in custody by a local entity and no local entities satisfy the delegation requirements in the Regulations. Accordingly, such entities may not be subject to effective prudential regulation and supervision in the third country or subject to external audit to ensure that the financial instruments are in its possession. In such circumstances, the Depositary may delegate its custody duties under the Depositary Agreement to such a local entity only to the extent required by the law of the third country and only for as long as there are no local entities that satisfy the delegation requirements in the Regulations, and only where: (i) Shareholders of the relevant Fund are duly informed, prior to their investment, of the fact that such a delegation is required due to legal constraints in the law of the third country, of the circumstances justifying the delegation and of the risks involved in such a delegation; and (ii) the ICAV, has instructed the Depositary to delegate the custody of such financial instruments to such a local entity.

### **Highly Volatile Markets**

The prices of derivative instruments, including options prices, are highly volatile. Price movements of contracts for difference and other derivative contracts in which a Fund may invest are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary, and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets. Such intervention is often intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. A Fund is also subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearing houses.

### **Investment Management**

The ability of a Fund to achieve its investment objective is significantly dependent upon the expertise of the Investment Manager, its partners, members and employees and the Investment Manager's and their affiliates' ability to attract and retain suitable staff. The impact of the departure for any reason of a key individual (or individuals) on the ability of the Investment Manager to achieve the investment objective of a Fund cannot be determined and may depend on, amongst other things, the ability of the Investment Manager to recruit other individuals of similar experience and credibility. In addition, legislative, tax

and/or regulatory changes which restrict or otherwise adversely affect the remuneration of key individual(s), including the ability and scope to pay bonuses, which may be imposed in the jurisdictions in which the Investment Manager operates, may adversely affect their ability to attract and/or retain any such key individual(s). In the event of the death, incapacity, departure, insolvency or withdrawal of any such key individual(s), the performance of a Fund may be adversely affected.

Furthermore, some of the contractual arrangements in place with certain of a Fund's counterparties may provide the relevant counterparties with rights of termination, and with certain of its investors that may entitle them to redemption without penalty, if certain key employees and officers of the Investment Manager ceases to have responsibility for managing a Fund's investments or similar provisions. The assertion of such rights to terminate contracts could result in the relevant contractual positions being closed out on unsatisfactory terms and in a fewer number of potential counterparties in the future and/or may otherwise have a material adverse impact on the business and/or financial condition of a Fund. There can be no assurance that the Investment Manager would be able to mitigate the effects of the loss of any such key individual(s).

The continued services of the Investment Manager to a Fund are dependent on the continuation of the relevant agreement which can be terminated with notice.

Should the need arise, no assurance can be given that the Fund or a Fund would be able to find and recruit a replacement investment manager or sub-investment manager (as applicable) of similar experience and competence or as to the length of time the search for a replacement will take. Any delay in identifying another investment manager or sub-investment manager (as applicable) may materially and adversely affect the achievement of the relevant investment objective.

### **Other Clients of the Investment Manager**

The Investment Manager may manage or advise other funds and/or accounts and will remain free to provide such services to additional funds and accounts, including for its own accounts, in the future. The Investment Manager may vary the investment strategies employed on behalf of a Fund from those used for itself and/or for other clients. No assurance is given that the results of the trading by the Investment Manager on behalf of a Fund will be similar to that of other funds and/or accounts concurrently managed by the Investment Manager. It is possible that such funds and accounts and any additional funds and accounts to which the Investment Manager in the future provides such services may compete with a Fund for the same or similar positions in the markets. The Investment Manager may transfer and/or license any intellectual property developed by it in the performance of services to the ICAV, including without limitation any intellectual property in the investment approach and strategies of any Fund. The Investment Manager may subsequently use information, intellectual property and investment strategies ("**Intellectual Property**") which it has obtained, produced, created, developed or utilised in the performance of services to the ICAV in relation to other investment funds, vehicles or accounts, as it determines in its sole discretion. The ICAV will bear all fees, charges and expenses incurred for all transactions carried out on behalf of the ICAV by the Investment Manager (or on its behalf). Such other investment funds, vehicles or accounts will not pay any part of or contribute towards the fees, charges and expenses of the ICAV for transactions carried out on behalf of the ICAV even if such other investment funds, vehicles or accounts benefit from Intellectual Property derived from the trading activities or results of the ICAV.

### **Investment Manager Conviction**

A Fund's portfolio reflects the conviction of the Investment Manager. At times of high conviction, the portfolio may well be more aggressively constructed than would otherwise be the case. This carries with it additional risks should the Investment Manager's conviction prove misplaced.

### **No Independent Counsel**

The Fund has retained legal counsel to advise them. In connection with its representation of the Fund and where appropriate counsel will not represent Shareholders in their capacity as investors in the Fund. No independent counsel has been retained by the Fund to represent Shareholders in that capacity.

## Over-the-Counter ("OTC") Transactions

There has been an international effort to increase the stability of the financial system in general, and the OTC derivatives market in particular, in response to the recent financial crisis. The leaders of the G20 have agreed that all standardised OTC derivative contracts should be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties, that OTC derivative contracts should be reported to trade repositories and non-centrally cleared contracts should be subject to higher capital requirements.

In the United States, rules and regulations required under the Dodd-Frank Act, have recently begun to become effective and comprehensively regulate the OTC derivatives markets for the first time. The U.S. Commodities Futures Trading Commission ("CFTC") has recently required that certain interest rate and credit default index swaps be centrally cleared, and the first requirement to execute certain interest rate swap contracts through a swap execution facility. Additional standardised swap contracts are expected to be subject to new clearing and execution requirements in the future. OTC trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as possible margin requirements mandated by the SEC or the CFTC. The regulators also have proposed margin requirements on non-cleared OTC derivatives, but have not yet finalised. Although the Dodd-Frank Act includes limited exemptions from the clearing and margin requirements for so-called "end-users", the Investment Manager is not eligible to rely on such exemptions. In addition, the OTC derivative dealers with which a Fund may execute the majority of its OTC derivatives will not be able to rely on the end-user exemptions under the Dodd-Frank Act and therefore such dealers will be subject to clearing and margin requirements notwithstanding whether a Fund is subject to such requirements. OTC derivative dealers are required to post margin to the clearinghouses through which they clear their customers' trades instead of using such margin in their operations for cleared derivatives, as is currently permitted. This will increase the OTC derivative dealers' costs, and these increased costs are expected to be passed through to other market participants in the form of higher upfront and mark-to-market margin, less favourable trade pricing, and possible new or increased fees.

The SEC and CFTC are expected to increase the portion of derivatives transactions that will be required to be executed through a regulated securities, futures, or swap exchange or execution facilities. Such requirements may make it more difficult and costly for investment funds, including a Fund, to enter into highly tailored or customised transactions. They may also render certain strategies in which a Fund might otherwise engage impossible or so costly that they will no longer be economical to implement. OTC derivative dealers and major OTC derivatives market participants have now registered with the SEC and/or the CFTC, and the CFTC's broad interpretation of its jurisdiction has recently required additional dealers to register. A Fund may also be required to register as a major participant in the OTC derivatives markets if its swaps positions are too large or leveraged, but the CFTC's and SEC's definition of major swap participant make such registration unlikely. Dealers and major participants will be subject to minimum capital and margin requirements. These requirements may apply irrespective of whether the OTC derivatives in question are exchange-traded or cleared. OTC derivatives dealers are also subject to business conduct standards, disclosure requirements, additional reporting and recordkeeping requirements, transparency requirements, limitations on conflicts of interest, and other regulatory burdens. These requirements may increase the overall costs for OTC derivative dealers, which are likely to be passed along, at least partially, to market participants in the form of higher fees or less advantageous dealer marks. A Fund is also subject to recordkeeping and, depending on the identity of the swaps counterparty, reporting requirements. While many of the requirements of the Dodd-Frank Act have been adopted, the final overall impact of the Dodd-Frank Act on a Fund is uncertain, and it is unclear how the OTC derivatives markets will adapt to the final regulatory regime.

EU Regulation No 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation, or "EMIR") came into force on 16 August 2012. EMIR introduces uniform requirements in respect of OTC derivative contracts by requiring certain "eligible" OTC derivatives contracts to be submitted for clearing to regulated central clearing counterparties and by mandating the reporting of certain details of OTC derivatives contracts to trade repositories. In addition, EMIR imposes risk mitigation requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty credit risk in respect of OTC derivatives contracts which are not subject to mandatory clearing. These risk mitigation requirements are expected to include the exchange and segregation of collateral by the parties, including by a Fund.

While many of the obligations under EMIR have come into force, a number of other requirements have not yet come into force or are subject to phase-in periods and certain key issues have not been finalised by the date of this Prospectus. It is therefore not yet fully clear how the OTC derivatives market will adapt to the new European regulatory regime for OTC derivatives.

The Directors, the Manager and the Investment Manager expect that a Fund will be materially affected by some or all of the requirements of EMIR. However, as at the date of this Prospectus, it is difficult to predict the full impact of EMIR on a Fund, which may include an increase in the overall costs of entering into and maintaining OTC derivative contracts. The Directors, the Manager and the Investment Manager will monitor the position. However, prospective investors and Shareholders should be aware that the regulatory changes arising from EMIR may in due course adversely affect a Fund's ability to adhere to its investment approach and achieve its investment objective.

### **Realisation of Profits and Valuation of Investments**

Changes in circumstances or market conditions may lead to revaluation of certain assets, which may result in material increases or decreases in the Net Asset Value. Accordingly, any Shareholder who redeems Shares during a period when the value of any asset has been impaired will not receive any amount in respect of any subsequent increase of the Net Asset Value as a consequence of any revaluation of an asset the value of which was impaired at the time the Shareholder redeemed the relevant Shares. Neither a Fund nor the Investment Manager shall be required to inform a Shareholder proposing to redeem Shares of any circumstances which may lead to a revaluation of an asset, and neither shall be liable to any Shareholder in respect of any loss of opportunity to participate in gains attributable to any revalued assets, howsoever arising.

### **Reliance on Models/Information Technology**

A Fund's investment approach may be based on mathematical models, which are implemented as automated computer algorithms that investment professionals at the Investment Manager have developed over time. The Investment Manager commits substantial resources to the updating and maintenance of existing models and algorithms as well as to the ongoing development of new models and algorithms. The successful operation of the automated computer algorithms on which a Fund's investment approach is based is reliant upon the Investment Manager's information technology systems and its ability to ensure those systems remain operational and that appropriate disaster recovery procedures are in place. Further, as market dynamics shift over time, a previously highly successful model may become outdated, perhaps without the Investment Manager recognising that fact before substantial losses are incurred. There can be no assurance that will be successful in maintaining effective mathematical models and automated computer algorithms.

### **Short Selling**

Synthetic short selling involves trading on margin and accordingly can involve greater risk than investments based on a long position. A synthetic short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security, which could result in an inability to cover the synthetic short position and a theoretically unlimited loss. There can be no guarantee that securities necessary to cover a synthetic short position will be available for purchase.

Due to regulatory or legislative action taken by regulators around the world as a result of recent volatility in the global financial markets, taking synthetic short positions on certain securities has been restricted. The levels of restriction vary across different jurisdictions and are subject to change in the short to medium term. These restrictions have made it difficult and in some cases impossible for numerous market participants either to continue to implement their investment strategies or to control the risk of their open positions. Accordingly, the Investment Manager may not be in a position to fully express its negative views in relation to certain securities, companies or sectors and the ability of the Investment Manager to fulfil the investment objective of a Fund may be constrained.

### **Short Selling Regulation**

The EU regulation on short selling and certain aspects of credit default swaps (the "SSR") applies to short sales of/short positions relating to (1) the issued share capital of companies whose shares are

admitted to trading on a regulated market or multilateral-trading facility ("MTF") in the EEA (unless the principal trading venue for the relevant shares is located in a country outside the EEA) ("EEA listed shares"); and (2) debt instruments issued by an EEA sovereign issuer ("EEA sovereign debt"). The SSR currently applies in respect of EU Member States and will apply to the additional EEA jurisdictions once further implementation steps have been taken.

The SSR provides for the disclosure of net short positions in EEA listed shares and EEA sovereign debt. It applies to all natural or legal persons, irrespective of regulatory status, located inside and outside the EEA. The SSR also contains prohibitions on uncovered or "naked" short sales of EEA listed shares and EEA sovereign debt in certain circumstances, as well as a prohibition on uncovered credit default swaps referencing EEA sovereign debt ("naked CDS"). The SSR provides for the possibility of an EEA member state's national regulator temporarily suspending the prohibition where it believes that its sovereign debt market is not functioning properly and that the prohibition may have a negative impact on the sovereign CDS debt market. When the prohibition is suspended in this way, naked CDS positions must be included in the net short position calculation for EEA sovereign debt and will be disclosable as part of the more general disclosure relating to short positions in EEA sovereign debt.

National regulators, and in certain circumstances the European Securities and Markets Authority, are able to take additional emergency measures in some situations.

The SSR may prevent the Investment Manager from fully expressing their negative views in relation to EEA listed shares and reduces the flexibility of the Investment Manager to use credit default swaps referencing EEA sovereign debt for risk management or investment purposes. Accordingly, the ability of the Investment Manager to implement the investment approach and to fulfil the investment objective may be constrained.

### **US Tax-Exempt Investors**

Certain investors may be subject to US federal and state laws, rules and regulations which may regulate their participation in a Fund, or their engaging directly, or indirectly through an investment in a Fund, in investment strategies of the types which a Fund may utilise from time to time. Each type of US Tax-Exempt Investor may be subject to different laws, rules and regulations and should consult with their own advisors as to the advisability and tax consequences of an investment in a Fund. Investment in a Fund by US Tax-Exempt Investors requires special consideration. Trustees or administrators of such investors are urged carefully to review the matters discussed in this Prospectus and the relevant application form.

### **Outbreaks of disease and adverse economic condition**

The preventative and protective responses of governments around the world to outbreaks of disease including epidemics and pandemics may have an adverse impact on the economy and market and business activities either globally or in a specific region or country. Such responses may cause periods of business disruption which may negatively affect the service providers appointed by, and counterparties that transact with, the ICAV in respect of one or more Funds and/or adversely impact the Funds' investments in terms of ability to sell and/or loss of value of such investments. The uncertainty caused by such outbreaks in terms of short and long term economic impact may lead to adverse economic and market conditions in the affected countries and this may have an adverse effect on the value of the impacted Funds.

### **Sustainable Finance**

For the purposes of Article 6 of the Disclosure Regulation, the Manager is required to disclose the manner in which sustainability risks are integrated into the investment decision of the Funds and the results of the assessment of the likely impacts of sustainability risks on the returns of the Funds. Such risks are principally linked to climate-related events resulting from climate change (the so-called physical risks) or to the society's response to climate change (the so-called transition risks), which may result in unanticipated losses that could affect the Funds' investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, etc.) or governance shortcomings (e.g. recurrent significant breach of international

agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into sustainability risks.

The Investment Manager has determined that sustainability risks are not currently taken into account in respect of the investment process of the Funds. The Investment Manager does not currently do so as it is not currently possible to gather and/or measure all of the data on which it would be obliged by the Disclosure Regulation to report and they could not do so systematically, consistently, and at a reasonable cost to investors. This is in part because such risks are not considered relevant to the investment policy and strategy of the Funds.

The Funds may be exposed to certain potential sustainability risks as outlined above. It is not possible to quantify the potential impact of sustainability risks on the Funds although it is not likely that such risks will have a material impact on returns. Notwithstanding the foregoing, sustainability risks are not considered relevant for certain non-core investment activities, for example, hedging against currency risk or cash management activities. The Investment Manager may consider it appropriate to integrate sustainability risks into their investment decisions for the Investment Manager in the future and this disclosure will be updated in accordance with the Disclosure Regulation to reflect any such decision.

For the purposes of Article 7 of the Disclosures Regulation, the Manager, in consultation with the Investment Manager, does not currently consider the principal adverse impacts ("PAI") of investment decisions being made in respect of the Funds on Sustainability Factors. The Manager, in consultation with the Investment Manager, has evaluated the requirements of PAI under the Disclosures Regulation and is of the view, given the nature and activities of the Funds, that the PAIs are currently not relevant to the strategy of the Funds.

The provisions of the Disclosures Regulation as amended by the Regulation (EU) 2020/852 on the Establishment of a Framework to Facilitate Sustainable Investment (the "**Taxonomy Regulation**") introduce a requirement to disclose whether and if so, to what extent the Funds' investments are aligned with the Taxonomy Regulation. Accordingly, as at the date of this Prospectus, the investments underlying the Funds do not take into account the EU criteria for environmentally sustainable economic activities.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in a Fund. Prospective investors should read this entire Prospectus and consult with their own legal, tax and financial advisers before deciding to invest in a Fund.**

## **DIVIDEND DISTRIBUTION POLICY**

The Instrument empowers the Directors to declare semi-annual and/or annual dividends in respect of any Shares out of net income (i.e. income less expenses) or realised gains net of realised and unrealised losses or realised and unrealised gains net of realised and unrealised losses or net income and realised gains net of realised and unrealised losses or net income and realised and unrealised gains net of realised and unrealised losses. The Instrument also provides that any dividend unclaimed after a period of 6 years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund. Details of the distribution policy for each Fund/ Class (if any) will be determined by the Directors from time to time and shall be specified in the relevant Supplement in accordance with the Central Bank's requirements. If the distribution policy of a Fund or Class should change, full details will be provide in an updated Supplement and Shareholders will be notified in advance of the change in policy.

Any failure to supply the ICAV or the Administrator with any documentation requested by them for anti-money laundering or anti-fraud purposes (as further described in the section entitled "Subscriptions") may result in a delay in the settlement of dividend payments. In such circumstances, any sums payable by way of dividend to Shareholders shall remain an asset of the relevant Fund until such time as the Administrator is satisfied that its anti-money-laundering and anti-fraud procedures have been fully complied with, following which such dividend will be paid.

The distribution policy for each Fund will be determined by the Directors from time to time and shall be specified in the relevant Supplement.

## EFFICIENT PORTFOLIO MANAGEMENT

The ICAV may employ investment techniques and FDI for efficient portfolio management of the assets of any Fund including hedging against market movements, currency exchange or interest rate risks under the conditions and within the limits stipulated by the Central Bank under the Regulations and the Central Bank UCITS Regulations and described below. Please see Appendix I for more information. A Fund will only utilise those FDIs as set out in the relevant Fund Supplement and as listed in the RMP that have been cleared by the Central Bank. Each Fund's leverage through the use of derivative instruments, i.e. the global exposure of a Fund, including but not limited to, its exposure from the use of any derivative instruments, must not exceed the total Net Asset Value of the Fund.

Efficient portfolio management means investment decisions involving transactions that are entered into for one or more of the specific aims:

1. the reduction of risk;
2. the reduction of cost;
3. the generation of additional capital or income for the UCITS with an appropriate level of risk, taking into account the risk profile of the UCITS as described in this Prospectus and the risk diversification rules set out in the UCITS Regulations;
4. their risks are adequately captured by the Risk Management Process of the UCITS, and
5. they cannot result in a change to the UCITS declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

Direct and indirect operational costs/fees arising from efficient portfolio management techniques may be deducted from the revenue delivered to the Fund, but only direct and indirect operational costs/fees charged by third parties unrelated to the Manager or the Investment Manager or any sub-investment manager will be deducted from any such revenues. Any such direct and indirect operational costs/fees charged by third parties do not include hidden revenue for the Manager, the Investment Manager or any sub-investment manager as applicable or parties related to such persons, although fees may be payable to counterparties and/or the Investment Manager and/or any sub-investment manager and/or the Depositary and/or entities related to them in relation to such techniques. The Fund will disclose in the financial statements the identity of the entity(ies) to which the direct and indirect costs and fees are paid and indicate if these are related parties to the Manager, the Investment Manager, any sub-investment manager or the Depositary. The Manager shall ensure that all the revenues arising from efficient portfolio management techniques and instruments, net of direct and indirect costs, are returned to the Fund.

The policy that will be applied to collateral arising from OTC derivative transactions or efficient portfolio management techniques relating to any Fund is to adhere to the Central Bank requirements set out under the heading "Techniques and Instruments, including the use of Repurchase/Reverse Repurchase and Securities Lending Agreements, for the purposes of Efficient Portfolio Management".

From time to time and subject to the requirements set out in Appendix I, the policy on levels of collateral required and haircuts may be adjusted, at the discretion of the Investment Manager, where this is determined to be appropriate in the context of the specific counterparty, the characteristics of the asset received as collateral, market conditions or other circumstances. The haircuts applied (if any) by the Investment Manager are adapted for each class of assets received as collateral, taking into account the characteristics of the assets such as the credit standing and/or the price volatility, as well as the outcome of any stress tests performed in accordance with the requirements in Appendix I. Each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets should be justified on the basis of this hair cut policy.

## **BORROWING POLICY**

Under the Instrument, the Directors are empowered to exercise all of the borrowing powers of the ICAV, subject to any limitations under the Regulations, and to charge the assets of the ICAV as security for any such borrowings provided that all such borrowings are within the limits and conditions laid down by the Central Bank.

Under the Regulations, a Fund may borrow up to 10% of its assets provided this borrowing is on a temporary basis. A Fund may not borrow money, grant loans or act as guarantor on behalf of third parties.

A Fund may acquire foreign currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classed as borrowings for the purposes of the borrowing restrictions under Regulation 103(1) of the Regulations provided that the offsetting deposit (i) is denominated in the base currency of the Fund and (ii) equals or exceeds the value of the foreign currency loan outstanding.

The Manager shall ensure that a Fund with foreign currency borrowings which exceed the value of a back to back deposit treats that excess as borrowing for the purpose of Regulation 103 of the Regulations. Where the balance returned to the Fund is in a foreign currency other than the Base Currency, the Fund may be exposed to currency risk such that the amount returned may be less than it would have been if the offsetting balance had been held in the Base Currency.

## **DETERMINATION AND PUBLICATION AND TEMPORARY SUSPENSION OF NET ASSET VALUE**

### **Determination and Publication of Net Asset Value**

The Net Asset Value attributable to the Classes shall be calculated by the Administrator to the nearest three decimal places in the Base Currency as of the relevant Valuation Point in accordance with the valuation provisions set out in the Instrument and summarised below.

The Net Asset Value of each Fund shall be calculated by ascertaining the value of the assets of each Fund and deducting from such amount the liabilities of that Fund (which shall include all fees and expenses payable and/or accrued and/or estimated to be payable by the Fund).

The Net Asset Value of each Class shall be determined by calculating the amount of the Net Asset Value attributable to each Class. The amount of the Net Asset Value of a Fund attributable to a class shall be determined by establishing the proportion of the assets of the class as at the most recent Net Asset Value calculation or the close of the initial offer period in the case of an initial offer of a class, adjusted to take account of any subscription orders (after deduction of any repurchase orders) and by allocating relevant class expenses and fees to the class and making appropriate adjustments to take account of distributions paid, if applicable, and apportioning the Net Asset Value accordingly.

The Net Asset Value per Share of any Class issued in each Fund will be calculated by calculating the amount of the Net Asset Value of the Fund attributable to the relevant Class and dividing the resultant figure by the total number of Shares of the relevant Class in issue or to be deemed to be in issue as of the relevant Dealing Day.

The Net Asset Value per Share (including up-to-date dealing prices) will be published on each Dealing Day on [www.bloomberg.com](http://www.bloomberg.com). The Net Asset Value per Share will also be available from the offices of the Administrator.

The Investment Manager may hedge the foreign currency exposure of Classes denominated in a currency other than the Base Currency of a Fund in order that investors in that Class receive a return in the currency of that Class substantially in line with the investment performance of the relevant Fund. As foreign exchange hedging may be utilised for the benefit of a particular Class, its cost and related liabilities and/or benefits shall be for the account of that Class only. Accordingly, such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Share for shares of any such Class. While holding a hedged Share Class will protect investors in such Share Class from a decline in the value of a currency other than the Base Currency of the Fund, investors in such Share Class will not benefit when that other currency appreciates against the relevant Base Currency. The Investment Manager shall limit hedging to the extent of the particular Share Class' currency exposure. Foreign exchange hedging shall not be used for speculative purposes.

In calculating the Net Asset Value and Net Asset Value per Share, the Administrator shall not be responsible for the accuracy of asset valuation data, opinions or advice furnished to it by the Investment Manager or its delegates, the ICAV, the ICAV's agents and delegates including an external valuer, prime broker(s), market makers and/or independent third-party pricing services. The Administrator may accept, use and rely on prices provided to it by the ICAV or its delegates or other agreed independent third party pricing services for the purposes of determining the Net Asset Value and Net Asset Value per Share and shall not be liable to the ICAV, the Depositary, an external valuer, any Shareholder or any other person in so doing by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the asset valuation information provided by the ICAV, its delegates, an external valuer or other independent third party pricing services or its delegates that the Administrator is directed to use by the ICAV or an external valuer in accordance with the ICAV's valuation policy. The ICAV acknowledges that the Administrator has not been retained to act as its external valuer or independent valuation agent.

### **Valuation of Assets**

1. In determining the value of the assets of each Fund, each Investment which is quoted, listed or traded under the rules a Recognised Market, for which market quotations are readily available,

shall be valued at the last traded price on the relevant Recognised Market at the Valuation Point, provided that the value of the Investment listed, traded or dealt in on a Recognised Market but acquired or traded at a premium or at a discount outside or off the relevant Recognised Market may be valued, taking into account the level of premium or discount as at the date of valuation of the Investment and the Depositary must ensure that the adoption of such procedure is justifiable in the context of establishing the probable realisation value of the security.

2. If the Investment is normally listed, traded or dealt in on or under the rules of more than one Recognised Market, the relevant Recognised Market shall be that which constitutes the main market for the investment or the one which the Manager determines provides the fairest criteria in a value for the security. If prices for an investment listed, traded or dealt in on the relevant Recognised Market are not available at the relevant time or are unrepresentative, or in the event that any Investments are not listed or traded on any Recognised Market, such investment shall be valued at such value as shall be certified with care and good faith as the probable realisation value of the investment by the Manager, or a competent professional person, firm or corporation appointed by the Manager, or by the Investment Manager who is appointed by the Board as a competent person and approved by the Depositary for such purpose, or any other means provided the valuation is approved by the Depositary. None of the Directors, the Manager, the Investment Manager or the Administrator shall be under any liability if a price reasonably believed by them to be the latest available price for the time being may be found not to be such.
3. Fixed income securities may be valued using matrix pricing (i.e. valuing securities by reference to the valuation of other securities which are considered comparable in rating, yield, due date and other characteristics) where reliable market quotations are not available. The matrix methodology will be compiled by the persons listed in 2(a)-(c) of Schedule 5 of the Central Bank UCITS Regulations, namely:
  - (a) a management company, where one has been designated to act in respect of a particular UCITS and in the absence of any such designation, the UCITS itself (the "**Responsible Person**");
  - (b) a competent person (not defined in the Central Bank UCITS Regulations) appointed by the Responsible Person and approved for the purpose by the Depositary,
  - (c) or by any other means, provided that the value is approved by the Depositary.
4. Units or shares in collective investment schemes which are not valued in accordance with the provisions above shall be valued on the basis of the latest available Net Asset Value per unit/share as published by the collective investment scheme.
5. Cash deposits and similar investments shall be valued at their face value together with accrued interest.
6. Exchange-traded futures and options contracts (including index futures) shall be valued based on the settlement price as determined by the market where the exchange traded future/option contract is traded. If the settlement price is not available, the exchange traded future/option contract may be valued as per unlisted securities and securities which are listed/traded on a Recognised Market where the price is unrepresentative / not available in accordance with paragraph 2 above.
7. Notwithstanding the provisions of paragraphs (1) to (5) above:
  - (i) The Manager or its delegate may, at its discretion in relation to any particular Fund which is a short-term money market fund, value any investment using the amortised cost method of valuation where such collective investment schemes comply with the Central Bank's requirements for short-term money market funds and where a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the requirements of the Central Bank.
  - (ii) Where it is not the intention or objective of the Manager to apply amortised cost

valuation to the portfolio of the ICAV as a whole, a money market instrument within such a portfolio shall only be valued on an amortised basis if the money market instrument has a residual maturity of less than three (3) months and does not have any specific sensitivity to market parameters, including credit risk.

8. Notwithstanding the generality of the foregoing, the Manager may with the approval of the Depositary adjust the value of any investment if, taking into account currency, marketability, dealing costs, and/or such other considerations as they may deem relevant, such as applicable rate of interest, anticipated rate of dividend, maturity or liquidity, they consider that such adjustment is required to reflect the fair value thereof.
9. Any value expressed otherwise than in the Base Currency of the relevant Fund shall be converted into the Base Currency of the relevant Fund at the prevailing exchange rate which the Manager or its delegate shall determine to be appropriate.
10. If the Manager deems it necessary, a specific investment may be valued under an alternative method of valuation approved by the Depositary and the rationale for methodologies used should be clearly documented.

### **Temporary Suspension of Net Asset Value**

The Directors may at any time with prior notification to the Depositary temporarily suspend the issue, valuation, sale, purchase, redemption or conversion of Shares during:

1. the whole or any part of any period when any Recognised Market on which a substantial portion of the Investments for the time being comprised in a Fund are quoted, listed or dealt in is closed otherwise than for ordinary holidays, or during which dealings in any such Recognised Market are restricted or suspended; or
2. the whole or any part of any period where, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Directors, including the unavailability of relevant prices, the disposal or valuation of any Investments for the time being comprised in a Fund cannot, in the opinion of the Directors, be effected or completed normally or without prejudicing the interest of Shareholders; or
3. any breakdown in the means of communication normally employed in determining the value of any Investments for the time being comprised in a Fund or during any period when for any other reason the value of Investments for the time being comprised in the ICAV cannot, in the opinion of the Directors, be promptly or accurately ascertained; or
4. any period when any other reason makes it impossible or impracticable to determine the value of a substantial portion of the assets of the ICAV or any Fund; or
5. the whole or any part of any period when a Fund is unable, due to exceptional market conditions prevailing in one or more Recognised Markets, to repatriate funds for the purposes of making redemption payments or during which the realisation of any Investments for the time being comprised in a relevant Fund, or the transfer or payment of funds involved in connection therewith cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange or during which there are difficulties or it is envisaged that there will be difficulties, in transfer of monies or assets required for subscriptions, redemptions or trading; or
6. any period in which the redemption of the Shares would, in the opinion of the Directors, following consultation with the Manager, result in a violation of applicable laws; or
7. the whole or any part of any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the sole opinion of the Directors, have an adverse impact on the relevant Fund or the remaining Shareholders in such Fund; or
8. any period when any transfer of funds involved in the realisation or acquisition of investments of the relevant Fund cannot, in the opinion of the Directors, following consultation with the Manager, be effected at normal prices or rates of exchange; or

9. the whole or any part of any period in which notice has been given to Shareholders of a resolution to wind up the ICAV; or
10. the whole or any part of any period during which dealings in a collective investment scheme in which the relevant Fund has invested a significant portion of its assets, as determined by the Directors, are suspended; or
11. the whole or any part of any period when the Directors following consultation with the Manager, determine that it is in the best interests of the Shareholders to do so.

The Directors will exercise this discretion only in circumstances in which the Directors believe that it is not possible to value or trade a material proportion of the securities held in the portfolio in respect of which such decision is being made.

Notice of any such suspension shall be published by the ICAV on [www.bloomberg.com](http://www.bloomberg.com) and shall be notified immediately to the Central Bank and the Shareholders. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible. Shareholders who have requested issue or redemption of Shares of any Class will have their subscription or redemption request dealt with on the first Dealing Day after the suspension has been lifted unless applications or redemption requests have been withdrawn prior to the lifting of the suspension.

Save where the determination of the Net Asset Value per Share has been temporarily suspended in the circumstances described above, the Net Asset Value per Share as of the most recent Valuation Day shall be made available at the office of the Administrator.

## REDEMPTION AND TRANSFERS OF SHARES

### Redemption of Shares

Shareholders may request a Fund to redeem their Shares on and with effect from any Dealing Day at the Net Asset Value per Share calculated at the relevant Valuation Point (subject to such adjustments, if any, as may be specified including, without limitation, any adjustment required for redemption charges as described under the section entitled "**Fees and Expenses**") in accordance with the redemption procedures specified below and in the relevant Supplement. In calculating the redemption price per Share for a Fund the Directors may, only where disclosed in the relevant Supplement, on any Dealing Day where there are overall net redemptions, adjust the redemption price by deducting an Anti-Dilution Levy to cover dealing costs and to preserve the value of the relevant Fund's underlying assets.

The Shares in a Fund may be redeemed on each Dealing Day (except where dealings have been suspended in the circumstances described under "Determination and Publication and Temporary Suspension of Net Asset Value") at the Net Asset Value per Share calculated at the Valuation Point. Shareholders requesting redemption of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

Where the ICAV temporarily suspends the repurchase or redemption of units in a Fund, in accordance with the procedure described under the section entitled "Determination and Publication and Temporary Suspension of Net Asset Value" below, the Manager will in addition:

- a) notify the Central Bank immediately upon the lifting of that temporary suspension by the ICAV; and
- b) in circumstances where the temporary suspension has not been lifted within 21 working days of application, provide the Central Bank with an update on the temporary suspension at the expiration of the 21 working day period and each subsequent period of 21 working days where the temporary suspension continues to apply.

Details in respect of redemptions of shares in the Funds are set out in the relevant Supplement for each Fund.

The Administrator shall forward the redemption proceeds (if any) to the relevant Shareholders within the period of time from the deadline for receipt of redemption requests set out in the relevant Fund Supplement.

If outstanding redemption requests from all holders of Shares in any Fund on any Dealing Day total in aggregate more than 10% of all the Shares of that Fund in issue on such Dealing Day, the Directors shall be entitled at their discretion to refuse to redeem such excess number of Shares in issue on that Dealing Day in respect of which redemption requests have been received as the Directors shall determine. If the Directors refuse to redeem Shares for this reason, the requests for redemption on such date shall be reduced pro rata and the Shares to which each request relates which are not redeemed shall be carried forward for redemption on each subsequent Dealing Day, on a pro rata basis, until all of the Shares relating to the original redemption request have been redeemed, provided that the Fund shall not be obliged to redeem more than 10% of the number of Shares outstanding on any Dealing Day.

A Fund may redeem all of the Shares of any Class in issue if the Shareholders in that Class pass a Special Resolution providing for such redemption at a general meeting of the holders of the Shares of that Class, or if the redemption of the Shares in that Class is approved by a resolution in writing signed by all of the holders of the Shares in that Class or if the Net Asset Value of the Class falls below such amount as specified below. Shares will be redeemed at the Net Asset Value per Share on the relevant Dealing Day less such sums as the Directors in their absolute discretion may from time to time determine as an appropriate provision for duties and charges in relation to the realisation or cancellation of the Shares to be redeemed.

Redemption requests should be made on the Redemption Form (which is available from the Administrator) which should be sent to the Administrator in accordance with the procedure set out in the relevant Supplement. The address and other contact information for the Administrator are set out in the Redemption Form.

The Administrator will not remit redemption proceeds if an investor is not considered to be compliant with all the necessary anti-money laundering legislation and regulations. Nor will the Administrator remit any payment to a third party bank account.

Unless otherwise set out in a Fund Supplement, emailed or faxed confirmation of the receipt of the Redemption Form will be sent to the relevant Shareholder by email or facsimile within two Business Days of the relevant Valuation Day. The redeeming investor should contact the Administrator in the event that this confirmation is not received within two Business Days of the relevant Valuation Day.

Redemption requests may not be withdrawn without the consent of the ICAV except when the redemption of Shares has been temporarily suspended in the circumstances described under the section entitled "Determination and Publication and Temporary Suspension of Net Asset Value".

Redemption proceeds will be paid only after receipt of the signed Application Form and upon receipt of all relevant documentation required by the Administrator including any documents in connection with anti-money laundering procedures and that the anti-money laundering procedures have been completed. If a Redemption Form is received by the Administrator after the time specified for receipt of same for a particular Dealing Day, it shall be treated as a request for redemption on the next Dealing Day. In exceptional circumstances, the Directors may, at their sole discretion, accept Redemption requests after the relevant cut-off point, provided in all cases it is before the relevant Valuation Point. Subject to the foregoing, and to the receipt of the Application Form and all anti-money laundering documentation and the anti-money laundering procedures have been completed, redemption proceeds will be paid by electronic transfer to the Shareholder's account specified in the Application Form within the period of time from the deadline for receipt of redemption requests, as set out in the relevant Fund Supplement. In the event that a Shareholder requires payment of redemption proceeds to an account other than that specified in the Application Form, the Shareholder must provide a request in writing, executed by an authorised signatory of the Shareholder to the Administrator on or prior to receipt of the Redemption Form. Redemption proceeds will only be paid to an account in the name of the relevant Shareholder. Redemption proceeds will not be paid in any other currency other than the currency of denomination of the relevant Share Class.

Subscription monies received from an applicant in advance of a Dealing Day in respect of which an application for Shares has been, or is expected to be, received, will be held in an Umbrella Cash Account in the name of the ICAV and will be treated as an asset of the relevant Fund upon receipt and will not benefit from the application of any investor money protection rules (i.e. the subscription monies in such circumstance will not be held on trust as investor monies for the relevant applicant). In such circumstances, the applicant will be an unsecured creditor of the relevant Fund with respect to the amount subscribed and held by the ICAV until such Shares are issued as of the relevant Dealing Day.

Redemption monies payable to a Shareholder subsequent to a Dealing Day as of which Shares of that Shareholder were redeemed (and consequently is no longer considered a Shareholder of the Fund as of the relevant Dealing Day) will be held in an Umbrella Cash Account in the name of the ICAV and will be treated as an asset of the Fund until paid to such Shareholder and will not benefit from the application of any investor money protection rules (i.e. the redemption monies in such circumstance will not be held on trust for the relevant Shareholder). In such circumstance, the Shareholder will be an unsecured creditor of the relevant Fund with respect to the redemption amount held by the ICAV until paid to the Shareholder.

The ICAV will ensure that all monies held in an Umbrella Cash Account are recorded in the books and records of the ICAV as assets of, and attributable to, the relevant Fund in accordance with the requirements of the Instrument.

In the event of an insolvency of a Fund or the ICAV, there is no guarantee that the Fund or the ICAV will have sufficient funds to pay unsecured creditors in full. Applicants who have forwarded subscription monies in advance of a Dealing Day and Shareholders due redemption monies which are held in an

Umbrella Cash Account will rank equally with all other unsecured creditors of the relevant Fund or the ICAV and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, an applicant may not recover all monies originally paid into any Umbrella Cash Account in relation to the application for Shares and a Shareholder may not recover all monies originally paid into an Umbrella Cash Account for onward transmission to such Shareholder.

Redemption proceeds may be paid by in specie transfer with the consent of the Shareholder in question. Redemption proceeds may also be paid in specie solely at the Directors discretion where the redemption request for Shares represents 5% or more of the Net Asset Value of the relevant Fund on any Dealing Day. The assets to be transferred shall be selected at the discretion of the Directors and subject to the approval of the Depositary and taken at their value used in determining the redemption price of the Shares being so repurchased. This means that such distributions will only be made if the Directors consider that they will not materially prejudice the interests of the Shareholders as a whole. Where the redemption in specie is effect at the Directors' discretion the Investment Manager shall, if a Shareholder so requests, sell the assets to be distributed to that Shareholder and distribute the cash proceeds to the Shareholder.

The ICAV may redeem the Shares of any Shareholder whose holding in the ICAV falls below the minimum subscription amount for the relevant Class as set out in the relevant Supplement.

Shareholders are required to notify the ICAV immediately when, at any time following their initial subscription for Shares in the ICAV, they become U.S. Persons or Irish Residents or cease to be Exempt Investors and in respect of which the Declaration made on their behalf is no longer valid. Shareholders are also required to notify the ICAV immediately in the event that they hold Shares for the account or benefit of U.S. Persons or Irish Residents or Irish Residents who cease to be Exempt Investors and in respect of which the Declaration made on their behalf is no longer valid or where they hold Shares in the ICAV in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax or fiscal consequences for the ICAV or its Shareholders.

Where the Directors become aware that a Shareholder in the ICAV (a) is a U.S. Person or is holding Shares for the account of a U.S. Person, so that the number of U.S. Persons known to the Directors to be beneficial owners of Shares for the purposes of the 1940 Act exceeds 100 or such other number as the Directors may determine from time to time; or (b) is holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax or fiscal consequences for the ICAV or its Shareholders (including, without limitation, circumstances (x) where such Shareholder is holding Shares that cause the ICAV to register as an investment company under the 1940 Act, (y) that result in the ICAV being required to register and become a reporting company under the U.S. Securities Exchange Act of 1934, as amended, and/or (z) where a "disqualifying event" under Rule 506(d) under the 1933 Act occurs with respect to the Shareholder), or where the holding of Shares by a Shareholder causes the assets of the ICAV to be "plan assets" for the purposes of ERISA, the Directors may: (i) direct such Shareholder to dispose of the relevant Shares to a person who is qualified or entitled to own or hold such Shares; or (ii) redeem the relevant Shares at the Net Asset Value of the Shares as at the Dealing Day immediately following the date of notification of such mandatory redemption to the relevant Shareholder.

Under the Instrument, any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer, or deliver for redemption, his Shares if so directed by the Directors pursuant to the above provisions or who fails to make the appropriate notification to the ICAV is obliged to indemnify and hold harmless each of the Directors, the ICAV, the Manager the Administrator, the Depositary, the Investment Manager and the Shareholders of the ICAV (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

The Instrument permits the ICAV to redeem the Shares of an untraced Shareholder where during a period of six years no acknowledgement has been received in respect of any contract note or other confirmation of ownership of the Shares sent to the Shareholder, and at the expiration of the said period of six years by notice sent by pre-paid letter addressed to the Shareholder or to the last known address given by the Shareholder or by advertisement in a national daily newspaper published in Ireland or in a

newspaper circulating in the area in which such address is located, the ICAV has given notice of its intention to repurchase such Shares and during the period of three months after the date of the advertisement and prior to the exercise of the power of repurchase the ICAV has not received any communication from the Shareholder. The proceeds of such repurchase shall form part of the ICAV's assets in respect of which such Shares were issued.

### **Compulsory Redemption**

The Directors may compulsorily redeem all of the Shares held by a Shareholder in the following circumstances:

- 1.1 in the event of a failure by the Shareholder to settle the subscription monies on a timely basis;
- 1.2 if it shall come to the notice of the Directors or if the Directors shall have reason to believe that any Shares are owned directly or indirectly by:
  - (a) any person or entity who breached or falsified representations or subscription documents;
  - (b) any person or entity who appears to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person or entity is not qualified to hold such Shares;
  - (c) an entity who has not provided the required tax documentation or supporting documentation for money laundering prevention checks; any person or persons in circumstances which (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant), in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any pecuniary liability to taxation or suffering other pecuniary, legal, regulatory or material administrative disadvantage which the Fund might not otherwise have incurred or suffered or might result in the Fund being required to comply with registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply;
  - (d) an entity who, in the opinion of the Directors is a U.S. Person (unless the Directors determines (i) the transaction is permitted under an exemption available under the securities laws of the United States and (ii) that the relevant Fund and the ICAV continue to be entitled to an exemption from registration as an investment company under the securities laws of the United States if such person holds Shares);
  - (e) if the Net Asset Value of any Fund falls below the Minimum Fund Size specified in the relevant Supplement;
  - (f) any person if the holding of the Shares by any person is unlawful or is less than the minimum set for that Class of Shares as disclosed in the Supplement; and
  - (g) any person who does not supply any information or declarations required under the Instrument of Incorporation within seven days of a request to do so by the Directors; or
- 1.3 Where they believe it is in the best interests of the ICAV, Fund or Shareholders.

The ICAV shall be entitled to compulsorily redeem and/or cancel such number of Shares held by such person as is required to discharge and may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by such person including any interest or penalties payable thereon. For the avoidance of doubt, a Shareholder may only become liable for tax liabilities imposed on it that arise in such Shareholder's specific jurisdiction(s). Shareholders will not be liable for a chargeable event (as defined in the "Taxation" section below) triggered by another Shareholder.

### **Transfers of Shares**

Transfers of Shares must be effected by transfer in writing in any usual or common form or in any other form approved by the Directors from time to time. Every form of transfer must state the full name and address of each of the transferor and the transferee and must be signed by or on behalf of the transferor. The Directors may decline to register any transfer of Shares unless the transfer form is deposited at the registered office of the ICAV, or such other place as the Directors may reasonably require, accompanied by such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the register. A transfer of Shares will not be registered unless the transferee, if not an existing Shareholder, has completed an Application Form and provided the necessary anti-money laundering documentation to the satisfaction of the Administrator. The Directors are not obliged to register the transfer of Shares in the ICAV. The ICAV shall give the transferee written notice of any refusal to register a transfer of Shares, provided that the ICAV is not required to give notice of a refusal to register a transfer where registering the transfer or giving the notice would result in a contravention of any provision of applicable law.

Shares are freely transferable except that the Directors may decline to register a transfer of Shares (a) if the transfer is in breach of US securities laws; (b) if in the opinion of the Directors the transfer would be unlawful or result or be likely to result in any adverse regulatory, tax or fiscal consequences or material administrative disadvantage to the ICAV or the Shareholders; (c) in the absence of satisfactory evidence of the transferee's identity; (d) the proposed transfer would result in a contravention of any provision of the Instrument or would produce a result inconsistent with any provision of the Prospectus; (e) where the ICAV is required to redeem, appropriate or cancel such number of Shares as are required to meet the appropriate tax of the Shareholder on such transfer; or (f) if the person to whom shares are to be transferred is prohibited from holding shares in the ICAV for any reason; or (g) where the Directors believe, in their discretion, that it is in the best interests of the ICAV or the Shareholders to do so. A proposed transferee may be required to provide such representations, warranties or documentation as the Directors may require in relation to the above matters. In the event that the ICAV does not receive a Declaration in respect of the transferee, the ICAV will be required to deduct appropriate tax in respect of any payment to the transferee or any sale, transfer, cancellation, redemption, repurchase or other payment in respect of the Shares as described in the section headed "Taxation" below.

## **Switching**

Shareholders can switch between Funds and different Classes within the same Fund unless provided otherwise in the relevant Supplement. Subject to the minimum investment and holding requirements of the relevant Class, Shareholders may switch some or all of their Shares in one Fund to Shares in another Fund or another Class in the same Fund as set out in relevant supplement. Shares switched will be issued and redeemed (as appropriate) at the Net Asset Value per Share subject to any applicable Duties and Charges. Instructions to switch Shares between Funds or Classes within a Fund may be made to the Administrator by letter or facsimile. Instructions to switch should include full details of the number of Shares to be switched between named Funds or Classes within a Fund.

Unless otherwise stated in the relevant Supplement, switching instructions received by the Administrator up to the Dealing Deadline for a Dealing Day will be dealt with on that Dealing Day. Instructions received after the aforesaid time will be dealt with on the following Dealing Day.

The number of Shares will be rounded up or down to the nearest three decimal places.

## TAXATION

**The following is a summary of relevant Irish tax law. It does not purport to be a complete analysis of all tax considerations relating to the holding of Shares. Shareholders and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling, exchanging or otherwise disposing of Shares under the laws of their country of incorporation, establishment, citizenship, residence, ordinary residence or domicile.**

The following summary is based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position at the time of an investment in the ICAV will not change.

As Shareholders are no doubt aware, the tax consequences of any investment can vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident. Therefore the Directors strongly recommend that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares in the ICAV and any investment returns from those Shares.

Finance Act 2016 introduced a new regime for the tax treatment of investments in Irish real estate funds ("IREFs"). An IREF is as an investment undertaking, or sub-fund of an investment undertaking, in which 25% or more of the value of the assets at the end of the immediately preceding accounting period is derived directly or indirectly from Irish real estate and related assets, or where it would be reasonable to consider that the main purpose or one of the main purposes of the investment undertaking, or sub-fund, was to acquire such assets or carry on an Irish real estate business. On the basis that the ICAV has been authorised by the Central Bank as a UCITS, neither the ICAV nor any of its sub-funds is an IREF and that accordingly Chapter 1B of Part 27 of the TCA will not apply to the ICAV or to any of its sub-funds.

### Ireland

#### *The ICAV*

The ICAV is an investment undertaking within the meaning of Section 739B TCA and therefore is not chargeable to Irish tax on its relevant income or relevant gains. The ICAV shall be regarded as resident for tax purposes in Ireland if it is centrally managed and controlled in Ireland and the ICAV is not regarded as resident elsewhere. It is intended that the Directors of the ICAV will conduct the affairs of the ICAV in a manner that will ensure that it is resident in Ireland for tax purposes.

Tax may arise for the ICAV on the happening of a "chargeable event" in the ICAV ("appropriate tax"). A chargeable event includes:

1. any payments to a Shareholder by the ICAV in respect of their Shares;
2. any appropriation or cancellation of Shares for the purposes of meeting the amount of appropriate tax payable on any gain arising by virtue of a transfer of any Shares;
3. any repurchase, redemption, cancellation or transfer of Shares; and
4. any deemed disposal by a Shareholder of their Shares at the end of a "relevant period" (a "deemed disposal").

A "relevant period" means a period of eight years beginning with the acquisition of the Shares and each subsequent period of eight years beginning immediately after the preceding relevant period.

There are also certain express exclusions from the meaning of chargeable event. A chargeable event does not include:

1. any exchange by a Shareholder, effected by way of a bargain made at arm's length by the ICAV, of the Shares in the ICAV for other Shares in the ICAV;
2. any transaction in relation to, or in respect of, Shares which are held in a clearing system recognised by the Irish Revenue Commissioners;
3. certain transfers of Shares between spouses/civil partners and former spouses/civil partners;
4. any exchange of Shares arising on a scheme of reconstruction or amalgamation (within the meaning of Section 739H TCA) of the ICAV, subject to certain conditions.

On the happening of a chargeable event the ICAV will deduct the appropriate tax on any payment made to the Shareholder in respect of the chargeable event. On the occurrence of a chargeable event where no payment is made, the ICAV may appropriate or cancel the required number of Shares to meet the tax liability.

Where the chargeable event is a deemed disposal and the value of Shares held by Irish Residents who are not Exempt Investors (as defined below) is less than 10% of the value of the total Shares in the ICAV (or sub-fund, as applicable), and the ICAV has made an election to report annually to the Irish Revenue Commissioners certain details for such Shareholder and has advised the Shareholder concerned in writing, the ICAV will not be obliged to deduct appropriate tax. The Shareholder must instead pay tax on the deemed disposal on a self-assessment basis. To the extent that any tax arises on a deemed disposal, such tax will be allowed as a credit against any tax payable on a subsequent chargeable event in respect of the relevant Shares. On the eventual disposal by the Shareholder of their Shares, a refund of any unutilised credit will be payable. In the case of Shares held in a recognised clearing system, the Shareholders may have to account for the tax arising at the end of a relevant period on a self-assessment basis.

No gain will be treated as arising to the ICAV on the happening of a chargeable event in relation to a Shareholder who is not Irish Resident at the time of the chargeable event or in relation to an Irish Resident Shareholder which is an Exempt Investor provided in each case that the requisite tax declaration in the form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D TCA, where applicable, (the "Declaration") has been provided to the ICAV by the Shareholder.

Income and capital gains in respect of assets of the ICAV situated in countries other than Ireland may be subject to taxes including withholding taxes, imposed by such countries. The ICAV may not be able to avail of an exemption from, or reduced rate of, withholding tax by virtue of the double taxation treaties in operation between Ireland and other countries. The ICAV may not therefore be able to reclaim withholding tax suffered by it in particular countries. If this position changes in the future and the application of an exemption or lower rate results in a repayment to the ICAV, the Net Asset Value of the ICAV or a Fund will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

## **Taxation of Shareholders**

### **1. *Non-Irish Residents***

Non-Irish Resident Shareholders will not generally be chargeable to Irish income tax or capital gains tax in respect of their Shares.

No appropriate tax will be deducted by the ICAV provided that either:

- (a) the ICAV is in possession of a signed and completed Declaration from such Shareholder to the effect that the Shareholder is not an Irish Resident; or
- (b) the ICAV is in possession of written notice of approval from the Irish Revenue Commissioners to the effect that the requirement to provide a Declaration is deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn.

If the ICAV is not in possession of a Declaration or a written notice of approval, or the ICAV is in possession of information which would reasonably suggest that the information contained in the Declaration is not or is no longer materially correct, the ICAV must deduct tax on the happening of a chargeable event in relation to such Shareholders. The tax deducted will generally not be refunded.

In the absence of such a Declaration or a written notice of approval, the ICAV must presume that the Shareholder is Irish Resident and the ICAV will deduct the appropriate tax (at the rates set out below) on the happening of a chargeable event in relation to such Shareholder.

Intermediaries acting on behalf of non-Irish Resident Shareholders can make a Declaration on behalf of the Shareholders for whom they are acting provided that the ICAV is not in possession of any information which would reasonably suggest that the information contained in the Declaration is not or is no longer materially correct. The Intermediary must state in the Declaration that to the best of its knowledge and belief the Shareholders on whose behalf it acts are not Irish Resident.

A non-Irish Resident corporate Shareholder which holds Shares directly or indirectly by or for a trading branch or agency of the Shareholder in Ireland, will be liable to Irish corporation tax on income from the Shares or gains made on the disposal of the Shares under the self-assessment system.

## 2. *Taxable Irish Residents*

The following section describes the Irish tax treatment of Shareholders who are Irish Residents.

### (a) *Deductions by the ICAV*

An Irish Resident Shareholder who is not an Exempt Investor will have appropriate tax deducted at the rate of 41% in respect of any distributions made by the ICAV and on any gain arising on a sale, transfer, deemed disposal (subject on election by the ICAV to the 10% threshold outlined above), redemption, repurchase or cancellation of Shares. Any gain will be computed on the difference between the value of the Shareholder's investment in the ICAV at the date of the chargeable event and the original cost of the investment as calculated under special rules. The ICAV will be entitled to deduct such appropriate tax from payments or, where no payment is made on the occurrence of a chargeable event, appropriate and cancel such number of Shares as are required to meet the appropriate tax in respect of the relevant Shareholder and will pay the appropriate tax to the Irish Revenue Commissioners.

Where the Shareholder is an Irish resident company which is not an Exempt Investor and the ICAV is in possession of a declaration from the Shareholder that it is a company and which includes the company's tax reference number, tax will be deducted by the ICAV from any distributions made by the ICAV to the Shareholder and from any gains arising on a sale, transfer, deemed disposal redemption, repurchase, cancellation or other disposal of shares by the Shareholder at the rate of 25%.

Refunds of tax where a declaration could be made but was not in place at the time of a chargeable event are generally not available except in the case of certain corporate Shareholders within the charge to Irish corporation tax.

### (b) *Residual tax Liability*

An Irish Resident Shareholder who is not a company and who is not an Exempt Investor (and has therefore had appropriate tax deducted), will not be liable to any further Irish income or capital gains tax in respect of any sale, transfer, deemed disposal, redemption, repurchase, cancellation of Shares or the making of any other payment in respect of their Shares.

Where an Irish Resident Shareholder is not a company and appropriate tax has not been deducted, the payment shall be treated as if it were a payment from an offshore fund and the Shareholder will be liable to account for Irish income tax at the rate of 41%

on the payment or on the amount of the gain under the self-assessment system and in particular, Part 41A TCA. No further Irish tax will be payable by the Shareholder in respect of that payment or gain.

Where an Irish Resident Shareholder is a company which is not an Exempt Investor (and has therefore had appropriate tax deducted), and the payment is not taxable as trading income under Schedule D Case I, the Shareholder will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D from which tax at the rate of 25% (or 41% if no Declaration has been made) has been deducted. In practice, where tax at a rate higher than 25% has been deducted from payments to a corporate Shareholder resident in Ireland, a credit of the excess tax deducted over the higher corporation tax rate of 25% should be available.

Where an Irish Resident Shareholder is a company which is not an Exempt Investor (and has therefore had appropriate tax deducted), and the payment is taxable as trading income under Schedule D Case I, the following provisions apply:

- (i) the amount received by the Shareholder is increased by any amount of appropriate tax deducted and will be treated as income of the Shareholder for the chargeable period in which the payment is made;
- (ii) where the payment is made on the redemption, repurchase or cancellation of Shares, such income will be reduced by the amount of consideration in money or money's worth given by the Shareholder for the acquisition of those Shares; and
- (iii) the amount of appropriate tax deducted will be set off against the Irish corporation tax assessable on the Shareholder in respect of the chargeable period in which the payment is made.

Where an Irish Resident Shareholder is a company and appropriate tax has not been deducted, the amount of the payment will be treated as income arising to the Shareholder which is chargeable to Irish tax. Where the payment is in respect of the cancellation, redemption, repurchase or transfer of Shares, such income shall be reduced by the amount of the consideration in money or money's worth given by the Shareholder on the acquisition of the Shares. Where the payment is not taxable as trading income for the company, it will be chargeable to tax under Schedule D Case IV. Where the payment is taxable as trading income for the company, it will be chargeable to tax under Schedule D Case I.

Should an excess payment of appropriate tax arise on the occurrence of a Chargeable Event as a result of tax paid on an earlier deemed disposal in respect of the Shareholder, the ICAV, on notification in writing to the Shareholder, is not obliged to process the refund arising on behalf of the Shareholder provided if immediately before the chargeable event the value of Shares held by Irish Residents who are not Exempt Investors does not exceed 15% of the value of the total Shares in the ICAV. Instead the Shareholder should seek such a repayment directly from the Irish Revenue Commissioners. Irish legislation also provides in the case of a deemed disposal for the making of an irrevocable election by the ICAV to value the Shares in respect of all Shareholders at the later of 30 June or 31 December immediately prior to the date of the deemed disposal, rather than on the date of the deemed disposal.

Other than in the instances described above the ICAV will have no liability to Irish taxation on income or chargeable gains.

(c) *Reporting*

Pursuant to Section 891C TCA and the Return of Values (Investment Undertakings) Regulations 2013, the ICAV is obliged to report certain details in relation to Shares held by Shareholders to the Irish Revenue Commissioners on an annual basis. The details

to be reported include the name, address and, in the case of individual Shareholders, date of birth if on record of, and the value of the Shares held by, a Shareholder. In respect of Shares acquired on or after 1 January 2014, the details to be reported also include the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided. No details are to be reported in respect of Shareholders who are:

- (i) Exempt Investors;
- (ii) Non-Irish Resident Shareholders (provided a Declaration has been made); or
- (iii) Shareholders whose Shares are held in a recognised clearing system.

(d) *Exempt Investors*

(a) Deductions by the ICAV

Appropriate tax will not be deducted on the happening of a chargeable event in respect of Shares held by an Exempt Investor where the ICAV is in possession of a Declaration in relation to such Shares. It is the Exempt Investor's obligation to account for any tax to the Irish Revenue Commissioners and return such details as are required to the Irish Revenue Commissioners. It is also the Exempt Investor's obligation to notify the ICAV if it ceases to be an Exempt Investor.

Exempt Investors in respect of whom the ICAV is not in possession of a Declaration will be treated by the ICAV in all respects as if they are not Exempt Investors (see above).

(b) Residual tax Liability

- (c) Exempt Investors may be liable to Irish tax on their income, profits and gains in relation to any sale, transfer, repurchase, redemption or cancellation of Shares or dividends or distributions or other payments in respect of their Shares.

## **Other Taxes – All Shareholders**

### *Personal Portfolio Investment Undertaking*

An investment undertaking such as the ICAV will be considered to be a personal portfolio investment undertaking ("PPIU") in relation to a specific Irish Resident Shareholder where that Shareholder is an individual and the Shareholder or certain persons connected with the Shareholder can select or influence the selection of some or all of the property of the undertaking. The appropriate tax deducted on the happening of a Chargeable Event in relation to a PPIU will be at the rate of 60% (or 80% where details of the payment/disposal are not correctly included in the individual's tax returns). An investment undertaking is not a PPIU if the only property which may be or has been selected was acquired on arm's length terms as part of a general offering to the public.

### *Currency Gains*

Where a currency gain is made by an Irish Resident Shareholder on the disposal of Shares, such Shareholder may be liable to Irish capital gains tax or corporation tax in respect of such gain in the year of assessment in which the Shares are disposed of.

### *Stamp Duty*

Generally no stamp, documentary, transfer or registration tax is payable in Ireland on the issue, sale, transfer, redemption, repurchase, cancellation of or subscription for Shares on the basis that the ICAV qualifies as an investment undertaking within the meaning of Section 739B TCA. If any redemption is satisfied by the transfer in specie to any Shareholder of any Irish assets, a charge to Irish stamp duty may arise.

## *Capital Acquisitions Tax*

Provided the ICAV continues to qualify as an investment undertaking as defined by Section 739B TCA any Shares which are comprised in a gift or an inheritance will be exempt from capital acquisitions tax ("CAT") and will not be taken into account in computing CAT on any gift or inheritance taken by the donee or successor if (i) the Shares are comprised in the gift or inheritance at the date of the gift or at the date of the inheritance, and at the relevant valuation date; (ii) at the date of the disposition, the Shareholder making the disposition is neither domiciled nor ordinarily resident in Ireland; and (iii) at the date of the gift, or at the date of the inheritance, the donee or successor is neither domiciled nor ordinarily resident in Ireland.

## **Residence and Ordinary Residence**

The following summary of the concepts of residence and ordinary residence under Irish tax law has been issued by the Irish Revenue Commissioners for the purposes of the Declaration set out in the Subscription Agreement. Shareholders and potential investors are advised to contact their professional advisers if they have any concerns in relation to the Declaration.

### **Residence – Company**

Prior to Finance Act 2014, company residence was determined with regard to the long-established common law rules based on central management and control. These rules were significantly revised in Finance Act 2014 to provide that a company incorporated in Ireland will be regarded as resident for tax purposes in Ireland, unless it is treated as resident in a territory with which Ireland has a double taxation agreement. While the common law rule based on central management and control remains in place, it is subject to the statutory rule for determining company residence based on incorporation in Ireland. A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated.

The new incorporation rule for determining the tax residence of a company incorporated in Ireland applies to companies incorporated on or after 1 January 2015. For companies incorporated in Ireland before this date, a transition period will apply until 31 December 2020. Under these transitional arrangements, a further exception from the incorporation rule applies where the company or a related company carries on a trade in Ireland, and either the company is ultimately controlled by persons resident in EU Member States or, in countries with which Ireland has a double taxation treaty (a "taxation treaty country") or the company or a related company are quoted companies on a recognised stock exchange in the EU or in a taxation treaty country.

A company coming within this additional exception from the incorporation rule which has its central management and control outside of Ireland will still be regarded as resident in Ireland if (i) it would by virtue of the law of a taxation treaty country be tax resident in that taxation treaty country if it were incorporated in that taxation treaty country but would not otherwise be tax resident in that taxation treaty country, (ii) it is managed and controlled in that taxation treaty country and (iii) it would not otherwise by virtue of the law of any territory be regarded as resident in that territory for tax purposes.

As noted above, the additional exception from the incorporation rule of tax residence in respect of a company incorporated before 1 January 2015 will however cease to apply or be available after 31 December 2020, or, if earlier, from the date, after 31 December 2014, of a change in ownership (direct or indirect) of the company where there is a major change in the nature or conduct of the business of the company within the period beginning on the later of 1 January 2015 or the date which occurs one year before the date of the change in ownership of the company, and ending 5 years after the date of the change in ownership. For these purposes a major change in the nature or conduct of the business of the company includes the commencement by the company of a new trade or a major change arising from the acquisition by the company of property or of an interest in or right over property. These rules are relatively complex and we would recommend that any Irish incorporated company that considers it is not Irish tax resident seeks professional advice before asserting this in any Declaration given to the ICAV.

### **Residence – Individual**

The normal rule is an individual will be regarded as being resident in Ireland for a tax year if that individual:

1. spends 183 days or more in Ireland in that tax year; or
2. has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that tax year together with the number of days spent in Ireland in the preceding year.

Presence in a tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any time during that day.

### **Ordinary Residence – Individual**

The Irish tax year operates on the calendar year basis. The term "ordinary residence" (as distinct from 'residence') denotes residence in a place with some degree of continuity.

An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident in Ireland. For example, an individual who is resident and ordinarily resident in Ireland in 2019 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the year in 2022.

### **Common Reporting Standard**

The common reporting standard framework was first released by the OECD in February 2014 and on 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD and which includes the text of the Common Reporting Standard ("**CRS**" or the "**Standard**"). The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local reporting financial institutions (as defined) ("**FIs**") relating to account holders who are tax resident in other participating jurisdictions.

Ireland is a signatory to the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information. Over 100 jurisdictions have committed to exchanging information under the Standard and a group of 50 countries, including Ireland, committed to the early adoption of the CRS from 1 January 2016 (known as the "**Early Adopter Group**"). The first data exchanges took place in September 2017. All EU Member States (with the exception of Austria) are members of the Early Adopter Group.

CRS was legislated for Ireland under the Returns of Certain Information By Reporting Financial Institutions Regulations 2015 which came into effect on 31 December 2015 (the "**Irish CRS Regulations**"). The Irish CRS Regulations provide for the collection and reporting of certain financial account information by Irish FIs, being FIs that are resident in Ireland (excluding any non-Irish branch of such FIs), Irish branches of Irish resident FIs and branches of non-Irish resident FIs that are located in Ireland. Ireland elected to adopt the 'wider approach' to the Standard. This means that Irish FIs will collect and report information to the Irish Revenue Commissioners on all non-Irish and non-U.S. resident account holders rather than just account holders who are resident in a jurisdiction with which Ireland has an exchange of information agreement. The Irish Revenue Commissioners will exchange this information with the tax authorities of other participating jurisdictions, as applicable.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("**DAC II**") implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange certain financial account information on residents in other EU Member States on an annual basis. The Irish Revenue Commissioners issued regulations to implement the requirements of DAC II into Irish law on 31 December 2015 and an Irish FI (such as the ICAV) is obliged to make a single return in respect of CRS and DAC II using the Revenue Online Service (ROS). Failure by an Irish FI to comply with its CRS or DAC II obligations may result in an Irish FI being deemed to be non-compliant in respect of its CRS or DAC II obligations and monetary penalties may be imposed on a non-compliant Irish FI under Irish legislation.

It is expected that the ICAV will be classified as an Irish FI for CRS purposes and will be obliged to report certain information in respect of certain of its equity holders and debt holders to the Irish Revenue Commissioners using the Revenue Online Service (ROS). The relevant information must be reported to the Irish Revenue Commissioners by 30 June in each calendar year.

For the purposes of complying with its obligations under CRS and DAC II, an Irish FI (such as the ICAV) shall be entitled to require Shareholders to provide any information regarding their (and, in certain circumstances, their controlling persons') tax status, identity, jurisdiction of residence, taxpayer identification number and, in the case of individual shareholders, their date and place of birth in order to satisfy any reporting requirements which the ICAV may have as a result of CRS and DAC II and Shareholders will be deemed by their holding, to have authorised the automatic disclosure of such information, together with certain financial account information in respect of the Shareholder's investment in the ICAV (including, but not limited to, account number, account balance or value and details of any payments made in respect of the Shares) by the ICAV (or any nominated service provider) or any other person on the ICAV's behalf to the Irish Revenue Commissioners and any other relevant tax authorities.

The ICAV (or any nominated service provider) agrees that information (including the identity of any Shareholder (and its controlling persons (if applicable)) supplied for the purposes of CRS or DAC II is intended for the ICAV's (or any nominated service provider's) use for the purposes of satisfying its CRS and DAC II obligations and the ICAV (or any nominated service provider) agrees, to the extent permitted by applicable law, that it will take reasonable steps to treat such information in a confidential manner, except that the ICAV may disclose such information (i) to its officers, directors, agents and advisors, (ii) to the extent reasonably necessary or advisable in connection with tax matters, including achieving CRS and DAC II compliance, (iii) to any person with the consent of the applicable Shareholder, or (iv) as otherwise required by law or court order or on the advice of its advisors.

Prospective investors should consult their advisors about the potential application of CRS.

#### **U.S. Foreign Account Tax Compliance Act**

The foreign account tax compliance provisions contained in Sections 1471 to 1474 of the United States Internal Revenue Code and the regulations promulgated thereunder ("**FATCA**") impose a reporting regime which may impose a 30% withholding tax on certain U.S. source payments, including interest (and original issue discounts), dividends, other fixed or determinable annual or periodical gains, profits and income, made on or after 1 July 2014 and the gross proceeds from a disposition of property of a type which can produce U.S. source interest or dividends made on or after 1 January 2019 (collectively, "**Withholdable Payments**"), if paid to certain non-U.S. financial institutions (any such non-U.S. financial institution, an "**FFI**") that fail to enter into, or fail to comply with once entered into, an agreement with the U.S. Internal Revenue Service to provide certain information about their U.S. accountholders, including certain account holders that are non-U.S. entities with U.S. owners. The ICAV expects that it will constitute an FFI. The United States and the Government of Ireland have entered into an intergovernmental agreement to facilitate the implementation of FATCA (the "**IGA**"). An FFI (such as the ICAV) that complies with the terms of the IGA, as well as applicable local law requirements will not be subject to withholding under FATCA with respect to Withholdable Payments that it receives. Further, an FFI that complies with the terms of the IGA (including applicable local law requirements) will not be required to withhold under FATCA on Withholdable Payments it makes to accountholders of such FFI (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). Pursuant to the IGA, an FFI is required to report certain information in respect of certain of its accountholders to its home tax authority, whereupon such information will be provided to the U.S. Internal Revenue Service. The ICAV will undertake to comply with the IGA and any local implementing legislation, but there is no assurance that it will be able to do so.

The ICAV (or any nominated service provider) shall be entitled to require Shareholders to provide any information regarding their (and, in certain circumstances, their controlling persons') tax status, identity or residency in order to satisfy any reporting requirements which the ICAV may have as a result of the IGA or any legislation promulgated in connection with the agreement and Shareholders will be deemed by their shareholding to have authorized the automatic disclosure of such information by the ICAV (or any nominated service provider) or any other person on the ICAV's behalf to the relevant tax authorities.

The ICAV (or any nominated service provider) agrees that information (including the identity of any Shareholder) (and its controlling persons (if applicable)) supplied for purposes of FATCA compliance is intended for the ICAV's (or any nominated service provider) use for purposes of satisfying FATCA requirements and the ICAV (or any nominated service provider) agrees, to the extent permitted by applicable law, that it will take reasonable steps to treat such information in a confidential manner, except that the ICAV may disclose such information (i) to its officers, directors, agents and advisors, (ii) to the extent reasonably necessary or advisable in connection with tax matters, including achieving FATCA compliance, (iii) to any person with the consent of the applicable Shareholder, or (iv) as otherwise required by law or court order or on the advice of its advisors.

Prospective investors should consult their advisors about the potential application of FATCA.

## **GENERAL**

### **THE SHARE CAPITAL**

The minimum capital of the ICAV is €2.00 (two euro) represented by 2 (two) Subscriber Shares of no par value issued at €1.00 (one euro) each. The maximum authorised share capital of the ICAV, as may be amended by the Directors from time to time and notified to Shareholders, is 500,000,000,002 Shares of no par value represented by 2 (two) Subscriber Shares of no par value and 500,000,000,000 (five hundred billion) Shares of no par value, initially designated as unclassified Shares. The Directors are empowered to issue up to 500,000,000,000 Shares of no par value designated as Shares of any Class on such items as they think fit.

The Subscriber Shares and Capitalisation Shares entitle the holders to attend and vote at general meetings of the ICAV but do not entitle the holders to participate in the profits or assets of the ICAV except for a return of capital on a winding-up. The Shares entitle the holders to attend and vote at general meetings of the ICAV and to participate in the profits and assets of the ICAV. There are no pre-emption rights attaching to the Shares.

### **VARIATION OF SHAREHOLDER RIGHTS**

The rights attached to each Class (and for these purposes, reference to any Class shall include reference to any Class) may, whether or not the ICAV is being wound up be varied with the consent in writing of the holders of three-fourths of the issued Shares of that Class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the Shares of that Class. The provisions of the Instrument in relation to general meetings shall apply to every such separate general meeting except that the necessary quorum at any such meeting shall be two persons holding or representing by proxy at least one third of the issued Shares of the Class in question or, at an adjourned meeting, one person holding Shares of the Class in question or his proxy. Any holder of Shares representing one tenth of the Shares in issue of the Class in question present in person or by proxy may demand a poll. The rights attaching to any Class shall not be deemed to be varied by the creation or issue of further Shares of that Class ranking *pari passu* with Shares already in issue, unless otherwise expressly provided by the terms of issue of those Shares.

### **VOTING RIGHTS**

The Instrument provides that on a show of hands at a general meeting of the ICAV every Shareholder, and Subscriber Shareholder present in person or by proxy shall have one vote and on a poll at a general meeting every Shareholder and Subscriber Shareholder shall have one vote in respect of each Share and Subscriber Share as the case may be, held by him; provided, however, that, in relation to a resolution which in the opinion of the Directors affects more than one Class or gives or may give rise to a conflict of interest between the shareholders of the respective Classes, such resolution shall be deemed to have been duly passed, only if, in lieu of being passed at a single meeting of the Shareholders of all of those Classes, such resolution shall have been passed at a separate meeting of the Shareholders of each such Class.

### **INSTRUMENT**

The sole object of the ICAV, as set out in the Instrument, is the collective investment of funds in property and giving members of the ICAV the benefit of the results of the management of its funds. The ICAV may take any measure and carry out any operations which it may deem useful or necessary to the accomplishment and development of its purpose to the fullest extent permitted by the Regulations.

All holders of Shares are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Instrument of the ICAV, copies of which are available as described under the section entitled "General – Documents for Inspection".

### **CONFLICTS OF INTEREST**

The Manager, the Investment Manager, any sub-investment manager, any investment advisor, any distributor, each of the Directors, the Administrator, the Depositary and/or their respective affiliates or

any person connected with them may from time to time act as manager, investment manager, sub-investment manager, investment advisor, distributor, sales agent, depositary, sub-custodian, registrar, broker, execution broker, director, administrator, dealer, service provider ("**Connected Person**") in relation to, or be otherwise involved in, other investment funds and other vehicles (which may invest, either directly or indirectly, in any Fund) which may have similar or different objectives to those of any Fund. It is, therefore, possible that any of the foregoing may, in the course of business, have potential conflicts of interest with any Fund. Each will, at all times, have regard in such event to its obligations to the Funds, as the case may be, and will endeavour to ensure that such conflicts are resolved fairly. Each will at all times have regard in such event to its obligations under the Instrument and/or any agreements to which it is party or by which it is bound in relation to the ICAV and, in particular, but without limitation to their obligations to act in the best interests of the Shareholders when undertaking any investments where conflicts of interest may arise and they will each respectively endeavour to ensure that such conflicts are resolved fairly. Where deemed appropriate by the Directors and approved for such purpose by the Depositary, a valuation committee of the Investment Manager may be established to value unlisted securities. In the regard, the Directors may accept the valuation of the valuation committee and investors should be aware that in these circumstances, a possible conflict of interest may arise, as the higher estimated value of the unlisted securities the higher the fees payable to the Investment Manager.

The Depositary may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes. The Depositary has delegated custody services and asset verification services to The Northern Trust Company, London Branch. The Northern Trust Company has sub-delegated custody services and asset verification services to sub-custodians in certain eligible markets in which the ICAV may invest.

It is therefore possible that the Depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the ICAV or a particular Fund and/or other funds managed by the Manager or other funds for which the Depositary acts as the depositary, trustee or custodian. The Depositary will, however, have regard in such event to its obligations under the Depositary Agreement and the Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders collectively so far as practicable, having regard to its obligations to other clients. Subject to applicable law and the Central Bank's requirements, employees or officers of the Investment Manager or their affiliates may directly or indirectly acquire Shares. Any acquisition or divestment of Shares by such individuals shall be on the terms applicable to all Shareholders and in satisfaction of professional requirements.

In selecting brokers to make purchases and sales for a Fund the Investment Manager will choose those brokers who provide best execution to that Fund. Best execution will be the best price available in the market, exclusive of any charges but taking account of any other exceptional circumstances such as counterparty risk, order size or client instructions. In determining what constitutes best execution, the Investment Manager may take into consideration the overall economic result to the Fund (price and commission plus other costs), the efficiency of the transaction, the brokers' ability to effect the transaction if a large block is involved, availability of the broker for difficult transactions in the future, other services provided by the broker such as research and the provision of statistical and other information, and the financial strength and stability of the broker. In managing the assets of the Fund, the Investment Manager may receive certain research and statistical and other information and assistance from brokers. The Investment Manager may allocate brokerage business to brokers who have provided such research and assistance to a Fund and/or other accounts for which the Investment Manager exercises investment discretion. The benefits provided under any soft commission arrangements must assist in the provision of investment services to a Fund. Any soft commission arrangements will be disclosed in the periodic reports of the ICAV. The Investment Manager will also have regard to the rules and guidance of the Investment Manager's regulator.

In addition, the Administrator may have relationships with providers of technology, data or other services to the ICAV, its Funds, the Manager, the Investment Manager, any sub-investment manager, any investment advisor and the Administrator may receive economic and/or other benefits in connection with the ICAV's, the Manager's or the Investment Manager's activities in respect of one or more Funds, including but not limited to its or their use of technological, communication or other services. Where the technological, communication or other services relate to execution, the providers of the technology, data or other services have agreed to provide best execution to the ICAV, its Funds, the Manager or the

Investment Manager. The benefits provided under any such soft commission arrangement must assist in the provision of investment services to a Fund. Any soft commission arrangements will be disclosed in the periodic reports of the ICAV.

Conflicts of interest may arise in the Depositary's performance of its duties in circumstances where, including without limitation, the Manager or the ICAV maintains other business relationships with the Depositary or any of the Depositary's affiliates, where the ICAV's assets may include an investment or property held by the Depositary or managed by an affiliate of the Depositary, where the Depositary or an affiliate may have a holding in financial instruments purchased or sold by the Depositary on behalf of the ICAV or where the Depositary may have a relationship with another party that may conflict with the Depositary's duties to the ICAV and ICAV's interests.

To enable the ICAV to meet its investment objectives, the Depositary may appoint certain entities as its delegates for the purposes of providing sub-custodial functions in countries where the Depositary does not have a direct local presence. Conflicts of interest may arise in circumstances where, including without limitation, the Manager or the ICAV maintains other business relationships with any of the Depositary's delegates or the delegate's sub-delegates, where the ICAV's assets may include an investment or property held by the delegate or sub-delegate or managed by the delegate or sub-delegate, where the delegate or its sub-delegate has a holding in financial instruments purchased or sold by the delegate or sub-delegate on behalf of the ICAV, where a delegate or sub-delegate may have a relationship with another party that may conflict with the delegate's or sub-delegate's duties to the ICAV and the ICAV's interests.

The Investment Manager or any other person connected with them may invest in, directly or indirectly, or manage or advise other investment funds, vehicles or accounts which invest in assets which may also be purchased or sold by the ICAV. The Investment Manager or any person connected with them is under any obligation to offer investment opportunities of which any of them becomes aware to the ICAV or to account to the ICAV in respect of (or share with the ICAV or inform the ICAV of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities at its discretion on an equitable basis between the ICAV and other clients.

A Director may be a party to, or otherwise interested in, any transaction or arrangement with a Fund or in which a Fund is interested, provided that he has disclosed to the Directors prior to the conclusion of any such transaction or arrangement the nature and extent of any material interest of his therein in addition to complying with the requirements of the Central Bank. Unless the Directors determine otherwise, a Director may not vote in respect of any contract or arrangement or any proposal whatsoever in which he has a material interest, having first disclosed such interest. At the date of this Prospectus other than as disclosed below, no Director nor any connected person has any interest, beneficial or non-beneficial, in the share capital of the ICAV or any material interest in the ICAV or in any agreement or arrangement with the ICAV. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

At the date of this prospectus, the Directors have the following conflicts of interest with the ICAV:

Mr. Dunleavy is an employee of the Manager.

Mr. Joyce is an employee of the Investment Manager.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the Fund.

The Directors will seek to ensure that any conflict of interest of which they are aware is resolved fairly.

By acquiring or continuing to hold Shares, each investor will be deemed to have acknowledged the existence of the actual or potential conflicts of interests described above and to have waived, to the fullest extent permitted by applicable law, any claim with respect to the existence of any such conflicts.

## REMUNERATION POLICY

The Manager is subject to remuneration policies, procedures and practices (together, the **"Remuneration Policy"**). The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed not to encourage risk-taking which is inconsistent with the risk profile of the Funds. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the ICAV and the Funds, and includes measures to avoid conflicts of interest. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the Funds, and ensures that no individual will be involved in determining or approving their own remuneration. The Remuneration Policy will be reviewed annually.

Details of the up-to-date Remuneration Policy, including a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee (if any), are available via <https://www.waystone.com/waystone-policies/>. The Remuneration Policy summary will be made available for inspection and a paper copy may be obtained, free of charge, on request from the Manager.

## MEETINGS

All general meetings of the ICAV or any Fund shall be held in Ireland. At least fourteen calendar days' notice (or such shorter time as may be agreed with the Shareholders from time to time) shall be given to Shareholders. The notice shall specify the place, the day and the hour of the meeting, and the general nature of the business of the meeting. A proxy may attend on behalf of any Shareholder. The voting rights attached to the Shares are set out under the heading "General – Voting Rights".

The Directors have elected to dispense with the holding of the annual general meeting of the ICAV in the first and each subsequent year of its operation, and Shareholders are hereby notified of this fact for all purposes of Section 89 of the Act, provided that one or more Shareholders of the ICAV holding, or together holding, not less than 10% of the voting rights in the ICAV or the Auditors may require the ICAV to hold an annual general meeting in that year by giving notice in writing to the ICAV in the previous year or at least one month before the end of the relevant year.

## REPORTS AND ACCOUNTS

The ICAV prepares an annual report and audited annual accounts in relation to the ICAV or each Fund for the period ending 31 December in each year or such other accounting period end date with respect to a Fund as may be specified in the Supplement relating to such Fund. These are made available to Shareholders within four months of the end of the relevant accounting period end. In addition, the ICAV shall cause to have prepared and made available to Shareholders a half-yearly report, which shall include unaudited half-yearly accounts for the ICAV or each Fund. The half-yearly report will be made up to 30 June in each year or such other semi-annual accounting period end date with respect to a Fund as may be specified in the Supplement relating to such Fund. Un-audited half-yearly reports will be made available to Shareholders within two months of the end of the relevant accounting period.

The first audited annual report in respect of the ICAV (or the initial Fund as applicable) was prepared for the period ending 31 December 2017 and the first set of half yearly financial statements of the ICAV (or the initial Fund of the ICAV as applicable) was prepared for the period ending 30 June 2018.

## WINDING UP

The Instrument contains provisions to the following effect:

- 1.1 If the ICAV or a Fund shall be wound up the liquidator shall, subject to the provisions of Part 11 of the Companies Act 2014, apply the assets of the ICAV or Fund in such manner and order as he thinks fit in satisfaction of creditors' claims.
- 1.2 The assets available for distribution among the Shareholders of the ICAV or Fund shall then be applied in the following priority:

- (a) firstly, in the payment to the holders of the Shares of each Fund or Class of a sum in the currency in which that Fund or Class is designated (or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares of such Fund or Class held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available to enable such payment to be made;
- (b) secondly, in the payment to the holders of the Subscriber Shares, sums up to the nominal amount paid thereon out of the assets of the ICAV not comprised within any Funds remaining after any recourse thereto under sub paragraph (a) above; and
- (c) thirdly, in the payment to the holders of each Fund or Class of any balance then remaining, such payment being made in proportion to the number of Shares of that Fund or Class held.

1.3 If the ICAV shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of a Special Resolution and any other sanction required by Part 11 of the Companies Act 2014, divide among the Shareholders in specie the whole or any part of the assets of the ICAV, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the member or different classes of Shareholders. If a Shareholder so requests, the liquidator shall procure the sale of assets to be distributed and shall distribute the proceeds to the Shareholders. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the ICAV may be closed and the ICAV dissolved, but so that no member shall be compelled to accept any assets in respect of which there is a liability.

#### **TERMINATION OF THE ICAV, A FUND OR CLASS**

The ICAV may redeem all (but not some) of the Shares of the ICAV or the Shares of any Class or of any Fund then in issue and the ICAV, any Fund or Class may be terminated by the Directors in their sole and absolute discretion, by notice in writing to the Shareholders in any of the following events and as specified by the terms of the Prospectus:

- (a) the Shareholders of that Fund or Class shall have passed a Special Resolution to approve the redemption of all the Shares of that Fund or Class;
- (b) if the ICAV shall cease to be authorised by the Central Bank under the Regulations or if the Directors reasonably believe that the ICAV is likely to cease to be authorised by the Central Bank having taken legal advice in that regard;
- (c) if at any time the Net Asset Value of the relevant Fund shall be less than the Minimum Fund Size;
- (d) if any law shall be passed which renders it illegal or in the reasonable opinion of the Directors, in consultation with the Investment Manager, impracticable or inadvisable to continue the ICAV or the Fund;
- (e) all of the Shares of a Fund have been redeemed;
- (f) if the Depositary shall have exercised its right to retire and no new depositary has been appointed by the ICAV in accordance with the provisions of the Instrument; or
- (g) if the Directors in their discretion consider termination of the ICAV or a Fund appropriate.

1.4 The decision of the Directors in any of the events specified herein shall be final and binding on all the parties concerned but the Directors shall be under no liability on account of any failure to terminate the relevant Fund pursuant to this Section or otherwise.

- 1.5 The Directors shall give notice of a termination of a Fund to the Shareholders in the relevant Fund and by such notice affix the date at which such termination is to take effect, which date shall be for such period after the service of such notice as the Directors shall in their sole and absolute discretion determine.
- 1.6 With effect on and from the date as at which any Fund is to terminate or such other date as the Directors may determine:
- (a) no Shares of the relevant Fund may be issued or sold by the ICAV; and
  - (b) the Investment Manager shall, on the instructions of the Directors, realise all the Investments then compromised in the relevant Fund (which realisation shall be carried out and completed in such manner and within such period after the termination of the relevant Fund as the Directors think advisable); and
  - (c) the Depositary shall, on the instructions of the Directors from time to time, distribute to the Shareholders of the relevant Fund in proportion to their respective interests in the relevant Fund all net cash proceeds derived from the realisation of Investments of the relevant Fund and available for the purpose of such distribution and provided also the Depositary shall be entitled to retain out of any monies in its hands full provision for all costs, charges, expenses, claims and demands incurred, made or apprehended by the Depositary or the Directors in connection with or arising out of the termination of the relevant Fund and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands.

## **MATERIAL CONTRACTS**

The following contracts, which are summarised in the Sections "The Manager", "The Investment Manager and Distributor", "The Administrator", and "The Depositary" and under "Fees and Expenses" above and/or such other contracts as may be disclosed in the relevant Supplement, have been entered into and are material:

- 1. the Management Agreement;
- 2. the Investment Management and Distribution Agreement;
- 3. the Administration Agreement; and
- 4. the Depositary Agreement.

## **ELECTRONIC COMMUNICATION**

The Directors have arranged for electronic communication by the ICAV or any other person on behalf of the ICAV as the case may be of:

- 1. notices of general meetings;
- 2. the appointment of a proxy;
- 3. balance sheet, profit and loss account and group accounts and the Directors' and Auditors' reports;
- 4. confirmations of subscriptions and redemptions; and
- 5. the Net Asset Value.

If the Shareholder elects for electronic communication, all communication of notices, accounts, confirmations and Net Asset Value by the ICAV or any other person on behalf of the ICAV will be by way of electronic communication.

Shareholders electing to receive electronic communications will be required to provide the ICAV with their e-mail address. Hard copies of these documents continue to be available.

The ICAV or the Administrator on behalf of the ICAV is required to deliver to the investors of the ICAV certain notices and documents from time to time, such as Net Asset Value statements, notices of meetings and annual audited financial statements. The ICAV, or the Administrator on behalf of the ICAV, may in the future elect to deliver such notices and documents by e-mail to the address in the ICAV's records or by posting them on a password protected website. When delivering documents by e-mail, the ICAV will generally distribute them as attachments to e-mails in Adobe's Portable Document Format (PDF) (Adobe Acrobat Reader software is available free of charge from Adobe's web site at [www.adobe.com](http://www.adobe.com) and the Reader software must correctly be installed on the investor's system before the investor will be able to view documents in PDF format). Investors who do not wish to receive such documents electronically, or who wish to change the method of notice, should elect to do so by notifying the Administrator in writing.

#### **DOCUMENTS FOR INSPECTION**

Copies of the following documents may be inspected and obtained at the registered office of the ICAV at 5<sup>th</sup> Floor, The Exchange, George's Dock, IFSC, Dublin 1, Ireland during normal business hours on any Business Day:

1. the material contracts referred to above;
2. the Instrument of the ICAV;
3. the Regulations; and
4. the half-yearly reports, annual reports and audited accounts (if issued).

## **APPENDIX I**

### **GUIDELINES ON EFFICIENT PORTFOLIO MANAGEMENT**

#### **Use of FDI and Portfolio Management Techniques**

The Manager will employ an investment risk management process, which enables it to accurately monitor, measure and manage the risks attached to financial derivative instrument ("FDI") positions. Each Fund may only employ the FDI techniques provided in the relevant Fund Supplement where full details are shown and described. The ICAV employs a risk management process which enables it to accurately measure, monitor and manage the various risks associated with FDI. Efficient portfolio management means investment decisions involving transactions that fulfil the following criteria:

1. they are economically appropriate in that they are realised in a cost-effective way;
2. they are entered into for one or more of the following specific aims:
  - (i) reduction of risk;
  - (ii) reduction of cost;
  - (iii) generation of additional capital or income for the UCITS with a level of risk which is consistent with the risk profile of the UCITS and the risk diversification rules set out in the Central Bank UCITS Regulations;
3. their risks are adequately captured by the risk management process of the UCITS, and
4. they cannot result in a change to the UCITS declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

Direct and indirect operational costs/fees arising from efficient portfolio management techniques may be deducted from the revenue delivered to the Fund. Only direct and indirect operational fees charged by third parties unrelated to the Manager or the Investment Manager or any sub-investment manager will be deducted from any such revenues. Any such direct and indirect operational costs/fees charged by third parties will not include hidden revenue for the Manager or Investment Manager or parties related to such parties, although fees may be payable to counterparties and/or the Investment Manager and/or any sub-investment manager and/or the Depositary and/or entities related to them in relation to such techniques.

The entities to which direct and indirect costs and fees may be paid include banks, investment firms or other financial institutions or intermediaries and may be parties related to the Depositary or a Sub-Adviser that meet the Central Bank's criteria set out in the Central Bank UCITS Regulations. The revenues arising from such efficient portfolio management techniques for the relevant reporting period, together with the direct and indirect operational costs and fees incurred and the identity of the counterparty(ies) to these efficient portfolio management techniques, will be disclosed in the annual and half-yearly reports of the Funds. The Fund will disclose in the financial statements the identity of the entity(ies) to which the direct and indirect costs and fees are paid and indicate if these are related parties to the Manager, the Investment Manager, any sub-investment manager or the Depositary. The Directors shall ensure that all revenues arising from efficient portfolio management techniques and instruments, net of direct or indirect operational costs, will be returned to the relevant Fund.

The policy that will be applied to collateral arising from OTC derivative transactions or efficient portfolio management techniques relating to any Fund is to adhere to the Central Bank requirements set out under the heading "Techniques and Instruments, including the use of Repurchase/Reverse Repurchase and Securities Lending Agreements, for the purposes of Efficient Portfolio Management".

Only where and to the extent specified in the relevant Fund Supplement, each Fund may invest in FDI and/or utilise techniques and instruments for hedging and/or investment purposes and/or efficient portfolio management and/or to manage foreign exchange risks, subject to the conditions and within the

limits laid down by the Central Bank. Any proposed investment in FDI is subject to a Risk Management Process document being submitted to, and approved by the Central Bank in advance.

The performance of swaps and contracts for difference which may be used for hedging and/or investment purposes and/or efficient portfolio management and/or to manage foreign exchange risks may be strongly influenced by movements in currency rates because a Fund may have exposure to a particular currency that is different to the currency in which the securities held by that Fund are denominated.

A description of some of the techniques and instruments that may be used for efficient portfolio management and/or investment purposes is set out below. This list is not exhaustive. Those FDI techniques which are being utilised by the Fund are set out in the relevant Fund Supplement and the RMP document being submitted to, and approved by the Central Bank in advance.

## **Options**

An option is a contract which contains the right, but not the obligation, to buy or sell a specific quantity of an underlying asset or instrument at a fixed price on or before a specified date. The seller has the corresponding obligation to fulfill the transaction – that is to sell or buy – if the buyer (owner) "exercises" the option. The buyer pays a premium to the seller for this right. An option which conveys to the owner the right to buy something at a specific price is referred to as a call; an option which conveys the right of the owner to sell something at a specific price is referred to as a put. Both are commonly traded.

A swaption is the option to enter into an interest rate swap (see below). In exchange for an option premium, the buyer gains the right but not the obligation to enter into a specified swap agreement with the issuer on a specified future date. The agreement will specify whether the buyer of the swaption will be a fixed-rate receiver (like a call option on a bond) or a fixed-rate payer (like a put option on a bond).

A futures option, or option on futures, is an option contract in which the underlying is a single futures contract. The buyer of a futures option contract has the right (but not the obligation) to assume a particular futures position at a specified price (the strike price) any time before the option expires. The futures option seller must assume the opposite futures position when the buyer exercises this right.

A foreign exchange option (commonly shortened to just FX option or currency option) is a financial instrument that gives the right but not the obligation to exchange money denominated in one currency into another currency at a pre-agreed exchange rate on a specified date.

An interest rate option is an investment tool whose payoff depends on the future level of interest rates. Interest rate options are both exchange traded and over-the-counter instruments.

An equity option provides the right, but not the obligation, to buy or sell a quantity of stock at a set price within a certain period of time prior to the expiration date.

An equity index option gives the holder the right, but not the obligation, to buy or sell the value of an underlying equity index at the stated exercise price on or before the expiration date of the option.

Fixed income options are contractual obligations for the contract holder to purchase or sell a fixed income option on a specified date at a predetermined price where the prices and dates are determined at the time the option is purchased.

## **Futures**

Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset or instrument) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. The commercial purpose of futures contracts can be to allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Using futures to achieve a particular strategy instead of using the underlying or related security frequently results in lower transaction costs being incurred.

Fixed income futures are contractual obligation for the contract holder to purchase or sell a fixed income future on a specified date at a predetermined price. A fixed income future can be bought in a futures exchange market and the prices and dates are determined at the time the future is purchased.

A currency future is a transferable futures contract that specifies the price at which a currency can be bought or sold at a future date. Currency future contracts allow investors to hedge against foreign exchange risk.

An equity future is a contractual obligation where the contracted parties commit to buy or sell a specified amount of an individual equity or a basket of equities or an equity index at an agreed contract price on a specified date.

An equity index future is a contract to receive or pay cash based on the performance of an underlying index at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange.

An interest rate future is a futures contract with an underlying instrument that pays interest. An interest rate future is a contract between the buyer and seller agreeing to the future delivery of any interest-bearing asset. The interest rate future allows the buyer and seller to lock in the price of the interest-bearing asset for a future date

## **Swaps**

A swap is a derivative contract through which two parties exchange financial instruments. Most swaps involve cash flows based on a notional principal amount that both parties agree to. Usually, the principal does not change hands. Each cash flow comprises one leg of the swap. One cash flow is generally fixed, while the other is variable, that is, based on a benchmark interest rate, floating currency exchange rate or index price.

The most common kind of swap is an interest rate swap. Swaps do not trade on exchanges and are over-the-counter contracts between businesses or financial institutions.

An interest rate swap is a liquid financial derivative instrument in which two parties agree to exchange interest rate cash flows, based on a specified notional amount from a fixed rate to a floating rate (or vice versa) or from one floating rate to another. Interest rate swaps can be used to limit or manage exposure to fluctuations in interest rates or to obtain a marginally lower interest rate than it would have been able to get without the swap.

A constant maturity swap is a variation of the regular interest rate swap. Constant maturity swaps are exposed to changes in long-term interest rate movements. They are initially priced to reflect fixed-rate products with maturities between two and five years in duration, but adjust with each reset period.

A cross-currency basis swap agreement is a contract in which one party borrows one currency from another party and simultaneously lends the same value, at current spot rates, of a second currency to that party. The parties involved in basis swaps tend to be financial institutions, either acting on their own or as agents for non-financial corporations.

A foreign currency swap is an agreement to make a currency exchange between two foreign parties. The agreement consists of swapping principal and interest payments on a loan made in one currency for principal and interest payments of a loan of equal value in another currency.

A sovereign credit default swap is a financial swap agreement that the seller of the credit default swap will compensate the buyer (usually the creditor of the reference loan) in the event of a sovereign loan default (by the debtor) or other credit event.

## **Forwards**

A forward contract locks in the price at which an asset may be purchased or sold on a future date. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another a

specified amount of one currency at a specified price (exchange rate) with another currency on a specified future date. Forward contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract.

The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, and shifting exposure to currency fluctuations from one currency to another. Forward foreign exchange contracts are specifically useful and may be used for the hedging in connection with hedged currency classes of shares. Forward contracts are similar to futures contracts but are generally entered into as an over-the-counter contract rather than on exchange.

### **Convertible Bonds**

A convertible bond is a type of debt security that can be converted into a predetermined amount of an underlying company's equity at certain times during the bond's life, usually at the discretion of the bondholder. Convertible bonds are a flexible financing option for companies and are particularly useful for companies with high risk/reward profiles. Issuing convertible bonds is one way for a company to minimise negative investor interpretation of its corporate actions.

### **Permitted FDIs**

Where specified in a Fund supplement:-

1. The Manager or Investment Manager shall only invest assets of the relevant Funds in FDI provided that the relevant reference items or indices, consist of one or more of the following (noting that FDIs on commodities are excluded):
  - (a) instruments referred to in paragraphs 1.1 to 1.5 of the Investment Restrictions section of this Prospectus, deposits, financial indices, interest rates, foreign exchange rates or currencies;
  - (b) the FDI do not expose a Fund to risks which it could not otherwise assume (e.g. gain exposure to an instrument/issuer/currency to which a Fund cannot have a direct exposure);
  - (c) the FDI do not cause a Fund to diverge from its investment objectives; and
  - (d) the reference to financial indices above shall be understood as a reference to indices which fulfil the criteria set out in the Central Bank UCITS Regulations and the Central Bank's guidance on "UCITS Financial Indices" and "UCITS Financial Derivative Instruments and Efficient Portfolio Management".
2. Where the Manager or Investment Manager enter, on behalf of the relevant Fund, into a total return swap or invests in other FDIs with similar characteristics, the assets held by the relevant Fund shall comply with Regulations 70, 71, 72, 73 and 74 of the Regulations.
3. Credit derivatives as permitted in the circumstances outlined in the Central Bank's guidance on "UCITS Financial Derivative Instruments and Efficient Portfolio Management" only.
4. FDI must be dealt in on a market which is regulated, operating regularly, recognised and open to the public in a Member State or non-Member State, and included at Appendix II hereto.
5. Notwithstanding paragraph 4, each Fund may invest in FDI dealt in over-the-counter, "OTC derivatives" provided that:
  - (a) the counterparty is a Relevant Institution listed in paragraphs 2.8 of the Investment Restrictions section of this Prospectus or (i) an investment firm, authorised in accordance with the Markets in Financial Instruments Directive, in an EEA Member State or (ii) a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding consolidated supervision by that Federal Reserve;

- (b) where a counterparty within subparagraphs (i) and (ii) of paragraph 4(i) above was subject to a credit rating by an agency registered and supervised by ESMA, the rating shall be taken into account by the Manager in the credit assessment process and where such counterparty is downgraded to A-2 or below (or comparable rating) by that credit rating agency, this shall result in a new credit assessment being conducted of the counterparty by the Manager without delay;
- (c) in the case of subsequent novation of the OTC derivative contract, the counterparty is one of:
  - (i) the entities set out in paragraph 4(i); or
  - (ii) a central counterparty (CCP) authorised, or recognised by ESMA, under Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR) or, pending recognition by ESMA under Article 25 of EMIR, an entity classified as a derivatives clearing organisation by the Commodity Futures Trading Commission or a clearing agency by the SEC (both CCP);
- (d) risk exposure to the counterparty does not exceed the limits set out in Regulation 70(1)(c) of the Regulations, assessed in accordance with paragraph 4(v);
- (e) in assessing risk exposure to the counterparty to an OTC derivative for the purpose of Regulation 70(1)(c) of the Regulations: (i) the Manager shall calculate the exposure to the counterparty using the positive mark-to-market value of the OTC derivative with that counterparty; (ii) the Manager may net derivative positions with the same counterparty, provided that the relevant Fund is able to legally enforce netting arrangements with the counterparty. For this purpose netting is permissible only in respect of OTC derivatives with the same counterparty and not in relation to any other exposures the relevant Fund has with the same counterparty; (iii) the Manager shall take into account of collateral received by the relevant Fund in order to reduce the exposure to the counterparty provided that the collateral meets the requirements of the Central Bank UCITS Regulations;
- (f) the Manager or Investment Manager is satisfied that the counterparty will value the transaction with reasonable accuracy and on a reliable basis and will close out the transaction at any time at the request of the Manager or Investment Manager at fair value; and
- (g) The Manager or Investment Manager must subject its OTC derivatives to reliable and verifiable valuation on a daily basis and ensure that it has appropriate systems, controls and processes in place to achieve this. Reliable and verifiable valuation shall be understood as a reference to a valuation, by a Fund, corresponding to fair value which does not rely only on market quotations by the counterparty and which fulfils the following criteria:
  - (i) the basis for the valuation is either a reliable up-to-date market value of the instrument, or, if such value is not available, a pricing model using an adequate recognised methodology;
  - (ii) verification of the valuation is carried out by one of the following:
    - (A) an appropriate third party which is independent from the counterparty of the OTC derivative, at an adequate frequency and in such a way that a Fund is able to check it;
    - (B) a Share within a Fund which is independent from the department in charge of managing the assets and which is adequately equipped for the purpose.

6. Risk exposure to an OTC derivative counterparty may be reduced where the counterparty will provide a Fund with collateral in accordance with the requirements of the Central Bank as set out in the Central Bank UCITS Regulations. The Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits set out in the Regulations are not breached. Collateral received must at all times meet the requirements set out in the Central Bank UCITS Regulations. Collateral passed to an OTC derivative counterparty by or on behalf of a Fund must be taken into account in calculating exposure of the Fund to counterparty risk as referred to in Regulation 70(1)(c). Collateral passed may be taken into account on a net basis only if the UCTS is able to legally enforce netting arrangements with this counterparty.
7. A Fund must calculate issuer concentration limits as referred to in Regulation 70 on the basis of the underlying exposure created through the use of FDI pursuant to the commitment approach.
8. The risk exposures to a counterparty arising from OTC derivatives and efficient portfolio management techniques must be combined when calculating the OTC counterparty limit as referred to in Regulation 70(1)(c).
9. A Fund must calculate exposure arising from initial margin posted to and variation margin receivable from a broker relating to exchange-traded or OTC derivatives, which is not protected by client money rules or other similar arrangements to protect such Fund against the insolvency of the broker, within the OTC counterparty limit as referred to in Regulation 70(1)(c).
10. The calculation of issuer concentration limits as referred to in Regulation 70 must take account of any net exposure to a counterparty generated through a securities lending or repurchase agreement. Net exposure refers to the amount receivable by a Fund less any collateral provided by a Fund. Exposures created through the reinvestment of collateral must also be taken into account in the issuer concentration calculations.
11. When calculating exposures for the purposes of Regulation 70, a Fund must establish whether its exposure is to an OTC counterparty, a broker or a clearing house.
12. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments or CIS, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Regulation 71(1) of the Regulations. When calculating issuer-concentration risk, the FDI (including embedded FDI) must be looked through in determining the resultant position exposure. This position exposure must be taken into account in the issuer concentration calculations. It must be calculated using the commitment approach when appropriate or the maximum potential loss as a result of default by the issuer if more conservative. It must also be calculated by all Funds, regardless of whether they use VaR for global exposure purposes. This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Regulation 71(1) of the Regulations.
13. A transferable security or money market instrument embedding a FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in Central Bank UCITS Regulations and which contain a component which fulfils the following criteria:
  - (a) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as a host contract can be modified according to a specific interest rate, financial instrument price, foreign exchange rate, index of prices or rate, credit rating or credit index, or other variable, and therefore vary in a way similar to a standalone derivative;
  - (b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and

- (c) it has significant impact on the risk profile and pricing of the transferable security or money market instrument.
14. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed a separate financial instrument.
  15. Unless otherwise disclosed in the relevant Supplement, the ICAV employs the commitment approach to measure its global exposure. The global exposure of any Fund will not exceed its total Net Asset Value at any time. The method used to calculate global exposure for each Fund is set out in the relevant Supplement.

### **Cover requirements**

The Manager must, at any given time, ensure that, at all times: (i) a Fund is capable of meeting all its payment and delivery obligations incurred by transactions involving FDI; (ii) the Risk Management Process of the Fund includes the monitoring of FDI transactions to ensure that every such transactions is covered adequately; and (iii) a transaction in FDI which gives rise, or may give rise, to a future commitment on behalf of a Fund must be covered as follows:

1. in the case of FDI which automatically, or at the discretion of a Fund, are cash settled a Fund must hold, at all times, liquid assets which are sufficient to cover the exposure.
2. in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by the relevant Fund. Alternatively a Fund may cover the exposure with sufficient liquid assets where:
  - (i) the underlying assets consist of highly liquid fixed income securities;
  - (ii) the exposure can be adequately covered without the need to hold the underlying assets;
  - (iii) the specific FDI are addressed in the Risk Management Process, which is described in paragraph under the heading "Risk Management" below; and
  - (iv) details of the exposure are provided in the relevant Supplement.

### **Risk Management**

1. Each Fund must employ a RMP to monitor, measure and manage the risks attached to FDI positions.
2. Each Fund must provide the Central Bank with details of its proposed RMP with details of its FDI activity. The initial filing is required to include information in relation to:
  - (a) permitted types of FDI, including embedded derivatives in transferable securities and money market instruments;
  - (b) details of the underlying risks;
  - (c) relevant quantitative limits and how these will be monitored and enforced; and
  - (d) methods for estimating risks.
3. Material amendments to the initial filing must be notified to the Central Bank in advance. The Central Bank may object to the amendments notified to it and amendments and/or associated activities objected to by the Central Bank may not be made.
4. Each Fund must submit a report to the Central Bank on its FDI positions on an annual basis. The report, which must include information under the different categories identified in paragraph

2 above, must be submitted with the annual report of the ICAV. A Fund must, at the request of the Central Bank, provide this report at any time.

5. The ICAV will, on request, provide supplementary information to Shareholders relating to the risk management methods employed including the qualitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

#### **Techniques and Instruments, including the use of Repurchase/Reverse Repurchase and Securities Lending Agreements, for the purposes of Efficient Portfolio Management**

1. Where set out in the relevant Fund Supplement only, the Fund may enter into repurchase/reverse repurchase agreements, ("**repo contracts**") and securities lending subject to and in accordance with the conditions and limits set out in the Central Bank UCITS Regulations for the purposes of efficient portfolio management only. Repo contracts are transactions in which a Fund sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price. The repurchase price is usually greater than the original sale price, the difference effectively representing interest, sometimes called the repo rate. A reverse repurchase agreement is a transaction whereby a Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price.
2. The investment policy of a Fund may also provide for its investment in total return swaps or Securities Financing Transactions, as defined under the SFTR. The maximum and expected proportion of assets that may be subject to total return swaps will be set out in the relevant Supplement (as applicable). If a Fund uses total return swaps or Securities Financing Transactions, the relevant Supplement will include disclosure requirements as provided for under the SFTR.

#### **Collateral**

3. All cash and non-cash assets (including, but not limited to equities and bonds) received in the context of efficient portfolio management techniques should be considered as collateral and should comply with the following criteria:
  - (a) Liquidity: Collateral received other than cash should be highly liquid and traded on a Recognised Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 24 of the Central Bank UCITS Regulations.
  - (b) Valuation: Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
  - (c) Issuer credit quality: Collateral received will be high quality. Where the issuer is subject to a credit rating by an agency registered and supervised by ESMA, that rating shall be taken into account by the Manager in the credit assessment process. Where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in the preceding sentence, this shall result in a new credit assessment being conducted of the issuer by the Manager without delay.
  - (d) Correlation: Collateral received will be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.
  - (e) Diversification (asset concentration): (i) subject to subparagraph (ii) of this paragraph, collateral will be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund's Net Asset Value. When exposed to different counterparties, the different baskets of collateral will be aggregated to calculate the 20% limit of exposure to a single issuer and (ii) A Fund may be fully

collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a Fund should receive securities from at least 6 different issues, but securities from any single issue should not account for more than 30% of the Fund's Net Asset Value. Where a Fund intends to be fully collateralised in securities issued or guaranteed by a Member State, this will be disclosed in the relevant Supplement. The relevant Supplement should also identify the Member States, local authorities, or public international bodies or guaranteeing securities which the Fund is able to accept as collateral for more than 20% of its Net Asset Value.

- (f) Immediately available: Collateral received should be capable of being fully enforced at any time without reference to or approval from the counterparty.
  - (g) Level of collateral required
  - (h) The value of any collateral received by a Fund, adjusted in light of the haircut policy, must be marked to market daily and must equal or exceed, in value, at all times, the value of the amount invested or securities loaned
4. Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
  5. Collateral received on a title transfer basis should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party sub-custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
  6. Non-cash collateral cannot be sold, pledged or re-invested.
  7. Cash collateral may not be invested other than in the following:
    - (a) deposits with Relevant Institutions;
    - (b) high-quality government bonds;
    - (c) reverse repurchase agreements provided the transactions are with Relevant Institutions subject to prudential supervision and the fund is able to recall at any time the full amount of cash on an accrued basis; or
    - (d) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

Where the Manager invests the cash collateral received by a Fund that investment will be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or an entity related or connected to the counterparty. Exposure created through the reinvestment of collateral must be taken into account in determining risk exposures to a counterparty. Re-investment of cash collateral in accordance with the provisions above can still present additional risk for the Fund. Please refer to the section of the Prospectus entitled "Re-investment of Cash Collateral Risk" for more details.

8. The Manager shall ensure that, where a Fund receives collateral for at least 30% of its assets there is in place an appropriate stress testing policy to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:
  - (a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;

- (b) empirical approach to impact assessment, including back testing of liquidity risk estimates;
  - (c) reporting frequency and the limit/loss tolerance threshold/s; and
  - (d) mitigation actions to reduce loss including haircut policy and gap risk protection.
9. The Manager shall, in accordance with this paragraph, establish and ensure adherence to a haircut policy for a Fund, adapted for each class of assets received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of any stress tests performed in accordance with Regulation 21 of the Central Bank UCITS Regulations Subject to the following sentence if issuer or issue credit quality of the collateral is not of high quality in accordance with paragraph 2(c) above or the collateral carries a significant level of price volatility with regard to residual maturity or other factors, a conservative haircut shall be applied. However, the application of such a haircut will be determined on a case by case basis, depending on the exact details of the assessment of the collateral. The Manager, in its discretion, may consider it appropriate in certain circumstances to resolve to accept certain collateral with more conservative, less conservative or no haircuts applied if it so determines, on an objectively justifiable basis. Any extenuating circumstances that warrant the acceptance of relevant collateral with haircut provisions other than the guideline levels must be outlined in writing. The Manager shall document the hair cut policy and justify and document each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.
10. Where a counterparty to a repurchase or securities lending agreement which has been entered into by the ICAV on behalf of a Fund:
- (i) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Fund in the credit assessment process;
  - (ii) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (i) of this paragraph 9 this shall result in a new credit assessment being conducted of the counterparty by the Manager without delay.
11. The Manager shall ensure that it is at all times able to recall any security that has been lent out or to terminate any securities lending agreement to which it is party. The Manager that enters into a reverse repurchase agreement shall ensure that it is at all times able to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. In circumstances in which cash is, recallable at any time on a mark-to-market basis, the Manager shall use the mark-to-market value of the reverse repurchase agreement the calculation of the Net Asset Value of the Fund.
12. A Manager that enters into a repurchase agreement shall ensure that a Fund able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered
13. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 of the Regulations and Regulation 111 of the Regulations respectively.
14. All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the Fund.

## APPENDIX II MARKETS

The markets and exchanges are listed in accordance with the regulatory criteria as defined in the Central Bank UCITS Regulations. The Central Bank does not issue a list of approved markets and exchanges. With the exception of permitted investments in unlisted securities, the ICAV will only invest in securities traded on a stock exchange or market which meets with the regulatory criteria (regulated, operate regularly, be recognised and open to the public) and which is listed in the Prospectus. The stock exchange and/or markets will be drawn from the following list: -

- (i) any stock exchange which is:
  - (a) located in any Member State of the European Economic Area or any member state of the Organisation for Economic Co-operation and Development; or
  - (b) located in any of the following countries:-
    - Australia
    - Canada
    - Japan
    - New Zealand
    - Norway
    - Switzerland
    - United States of America; or
- (ii) any stock exchange included in the following list:-
 

|                    |                                                    |
|--------------------|----------------------------------------------------|
| Argentina          | Bolsa de Comercio de Buenos Aires                  |
| Argentina          | Mercado Abierto Electronico S.A                    |
| Brazil             | Bolsa De Valores De Sao Paulo                      |
| Chile              | La Bolsa Electronica De Chile                      |
| Chile              | Bolsa de Comercio de Santiago                      |
| Chile              | Bolsa de Valparaiso                                |
| China              | Shanghai Stock Exchange                            |
| China              | Shenzhen Stock Exchange                            |
| Egypt              | Egyptian Exchange                                  |
| Hong Kong          | Stock Exchange of Hong Kong Ltd                    |
| Hong Kong          | Hong Kong Futures Exchange                         |
| India              | National Stock Exchange of India                   |
| India              | Bombay Stock Exchange                              |
| Indonesia          | Indonesia Stock Exchange                           |
| Korea, Republic of | Korea Exchange                                     |
| Malaysia           | Bursa Malaysia Securities Berhad                   |
| Malaysia           | Bursa Malaysia Derivatives Berhad                  |
| Mexico             | Bolsa Mexicana De Valores (Mexican Stock Exchange) |
| Mexico             | Mercado Mexicano de Derivados                      |
| Peru               | Bolsa De Valores De Lima                           |
| Philippines        | Philippines Stock Exchange, Inc.                   |
| Singapore          | Singapore Exchange                                 |
| Singapore          | CATALIST                                           |
| South Africa       | JSE Securities Exchange                            |
| South Africa       | South African Futures Exchange                     |
| Taiwan             | GreTai Securities Market                           |
| Taiwan             | Taiwan Stock Exchange                              |
| Taiwan             | Futures Exchange                                   |
| Thailand           | Stock Exchange of Thailand                         |
| Thailand           | Market for Alternative Investments                 |
| Thailand           | Bond Electronic Exchange                           |
| Thailand           | Thailand Futures Exchange                          |
| Turkey             | Istanbul Stock Exchange                            |
| Turkey             | Turkish Derivatives Exchange                       |

(iii) any of the following:

the market organised by the International Capital Market Association;

the "listed money market institutions", as described in the Bank of England publication "The Regulation of the Wholesale Markets in Sterling, Foreign Exchange and Bullion" dated April 1988 (as amended from time to time);

a market comprising dealers which are regulated by the Federal Reserve Bank of New York and the United States Securities and Exchange Commission;

a market comprising dealers which are regulated by the United States National Association of Securities Dealers and the United States Securities and Exchange Commission;

NASDAQ; and

The over-the-counter market in the United States regulated by the National Association of Securities Dealers Inc. (also described as the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

The French market for Titres de Créances Négotiables (over-the-counter market in negotiable debt instruments);

the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

#### **Financial Derivative Instruments**

In the case of an investment in financial derivative instrument, in any derivative market approved in the United Kingdom, in a member state of the European Economic Area and the following exchanges or markets:

American Stock Exchange, Chicago Mercantile Exchange, Chicago Board of Options Exchange, Chicago Board of Trade, Coffee, Sugar and Cocoa Exchange, Iowa Electronic Markets, Kansas City Board of Trade, Mid-American Commodity Exchange, Minneapolis Grain Exchange, New York Cotton Exchange, New York Mercantile Exchange, Twin Cities Board of Trade.

For the purposes only of determining the value of the assets of a Fund, the term "Recognised Market" shall be deemed to include, in relation to any derivatives contract used, any market or exchange on which such contract may be acquired or sold which is referred to in (i)(a) or (iii) hereof or which is in the European Economic Area, is regulated, recognised, operates regularly and is open to the public.

**APPENDIX III**  
**LIST OF SUB-CUSTODIAL AGENTS APPOINTED BY THE DEPOSITARY**

This list may be updated from time to time and is available upon request in writing from the Administrator or the Depositary. The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to the Depositary or any of the sub-delegates listed below. The Depositary will notify the board of the ICAV of any such conflict should it so arise.

List of delegates and sub-delegates appointed by the Depositary in respect of the Company

| <b>Depositary – Sub-custodian Delegate Information</b>           |                                                       |                                                                      |
|------------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------------------------|
| <b>1. Jurisdiction</b>                                           | <b>2. Sub-custodian</b>                               | <b>3. Sub-custodian Delegate</b>                                     |
| <b>Argentina</b>                                                 | Citibank N.A., Buenos Aires Branch                    |                                                                      |
| <b>Australia</b>                                                 | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Australia Limited                                          |
| <b>Austria</b>                                                   | UniCredit Bank Austria AG                             |                                                                      |
| <b>Bahrain</b>                                                   | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited                                        |
| <b>Bangladesh</b>                                                | Standard Chartered Bank                               |                                                                      |
| <b>Belgium</b>                                                   | The Northern Trust Company                            |                                                                      |
| <b>Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)</b> | Raiffeisen Bank International AG                      | Raiffeisen Bank Bosnia DD BiH                                        |
| <b>Bosnia and Herzegovina (Republic of Srpska)</b>               | Raiffeisen Bank International AG                      | Raiffeisen Bank Bosnia DD BiH                                        |
| <b>Botswana</b>                                                  | Standard Chartered Bank Botswana Limited              |                                                                      |
| <b>Brazil</b>                                                    | Citibank N.A., Brazilian Branch                       | Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM") |

|                       |                                                       |                                   |
|-----------------------|-------------------------------------------------------|-----------------------------------|
| <b>Bulgaria</b>       | Citibank Europe plc, Bulgaria Branch                  |                                   |
| <b>CD's - USD</b>     | Deutsche Bank AG, London Branch                       |                                   |
| <b>CD's - USD</b>     | The Northern Trust Company, Canada                    |                                   |
| <b>Canada</b>         | Royal Bank of Canada                                  |                                   |
| <b>Chile</b>          | Citibank N.A.                                         | Banco de Chile                    |
| <b>China A Share</b>  | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank (China) Company Limited |
| <b>China B Share</b>  | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank (China) Company Limited |
| <b>Clearstream</b>    | Clearstream Banking S.A                               |                                   |
| <b>Colombia</b>       | Cititrust Columbia S.A. Sociedad Fiduciaria           |                                   |
| <b>Costa Rica</b>     | Banco Nacional de Costa Rica                          |                                   |
| <b>Croatia</b>        | UniCredit Bank Austria AG                             | Zagrebacka Banka d.d.             |
| <b>Cyprus</b>         | Citibank Europe PLC                                   |                                   |
| <b>Czech Republic</b> | UniCredit Bank Czech Republic and Slovenia, a.s.      |                                   |
| <b>Denmark</b>        | Skandinaviska Enskilda Banken AB (publ)               |                                   |
| <b>Egypt</b>          | Citibank N.A., Cairo Branch                           |                                   |

|                                           |                                                       |  |
|-------------------------------------------|-------------------------------------------------------|--|
| <b>Estonia</b>                            | Swedbank AS                                           |  |
| <b>Euroclear</b>                          | Euroclear Bank S.A/N.V                                |  |
| <b>Finland</b>                            | Skandinaviska Enskilda Banken AB (publ)               |  |
| <b>France</b>                             | The Northern Trust Company                            |  |
| <b>Germany</b>                            | The Northern Trust Company                            |  |
| <b>Ghana</b>                              | Standard Chartered Bank Ghana Limited                 |  |
| <b>Greece</b>                             | Citibank Europe PLC                                   |  |
| <b>Hong Kong</b>                          | The Hongkong and Shanghai Banking Corporation Limited |  |
| <b>Hong Kong (Stock and Bond Connect)</b> | The Hongkong and Shanghai Banking Corporation Limited |  |
| <b>Hungary</b>                            | Citibank Europe plc.                                  |  |
| <b>Iceland</b>                            | Landsbankinn hf.                                      |  |
| <b>India</b>                              | Citibank N.A.                                         |  |
| <b>Indonesia</b>                          | Standard Chartered Bank                               |  |
| <b>Ireland</b>                            | The Northern Trust Company, London                    |  |
| <b>Israel</b>                             | Citibank, N.A., Israel Branch                         |  |

|                    |                                                                       |                               |
|--------------------|-----------------------------------------------------------------------|-------------------------------|
| <b>Italy</b>       | Citibank Europe plc                                                   |                               |
| <b>Japan</b>       | The Hongkong and Shanghai Banking Corporation Limited                 |                               |
| <b>Jordan</b>      | Bank of Jordan Plc                                                    |                               |
| <b>Kazakhstan</b>  | Citibank Kazakhstan JSC                                               |                               |
| <b>Kenya</b>       | Standard Chartered Bank Kenya Limited                                 |                               |
| <b>Kuwait</b>      | The Hongkong and Shanghai Banking Corporation Limited                 | HSBC Bank Middle East Limited |
| <b>Latvia</b>      | Swedbank AS                                                           |                               |
| <b>Lithuania</b>   | AB SEB bankas                                                         |                               |
| <b>Luxembourg</b>  | Euroclear Bank S.A./N.V.                                              |                               |
| <b>Malaysia</b>    | The Hongkong and Shanghai Banking Corporation Limited                 | HSBC Bank Malaysia Berhad     |
| <b>Mauritius</b>   | The Hongkong and Shanghai Banking Corporation Limited                 |                               |
| <b>Mexico</b>      | Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex |                               |
| <b>Morocco</b>     | Société Générale Marocaine de Banques                                 |                               |
| <b>Namibia</b>     | Standard Bank Namibia Ltd                                             |                               |
| <b>Netherlands</b> | The Northern Trust Company                                            |                               |

|                     |                                                       |                               |
|---------------------|-------------------------------------------------------|-------------------------------|
| <b>New Zealand</b>  | The Hongkong and Shanghai Banking Corporation Limited |                               |
| <b>Nigeria</b>      | Stanbic IBTC Bank Plc                                 |                               |
| <b>Norway</b>       | Skandinaviska Enskilda Banken AB (publ)               |                               |
| <b>Oman</b>         | First Abu Dhabi PJSC, Oman Branch                     |                               |
| <b>Pakistan</b>     | Citibank N.A., Karachi Branch                         |                               |
| <b>Panama</b>       | Citibank N.A., Panama Branch                          |                               |
| <b>Peru</b>         | Citibank del Peru S.A.                                |                               |
| <b>Philippines</b>  | The Hongkong and Shanghai Banking Corporation Limited |                               |
| <b>Poland</b>       | Bank Handlowy w Warszawie S.A                         |                               |
| <b>Portugal</b>     | BNP Paribas SA                                        |                               |
| <b>Qatar</b>        | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited |
| <b>Romania</b>      | Citibank Europe PLC                                   |                               |
| <b>Russia</b>       | AO Citibank                                           |                               |
| <b>Saudi Arabia</b> | The Northern Trust Company of Saudi Arabia            |                               |
| <b>Serbia</b>       | UniCredit Bank Austria A.G.                           | UniCredit Bank Serbia JSC     |

|                                   |                                                       |                                             |
|-----------------------------------|-------------------------------------------------------|---------------------------------------------|
| <b>Singapore</b>                  | The Hongkong and Shanghai Banking Corporation Limited |                                             |
| <b>Slovakia</b>                   | Citibank Europe PLC                                   |                                             |
| <b>Slovenia</b>                   | UniCredit Banka Slovenija d.d.                        |                                             |
| <b>South Africa</b>               | The Standard Bank of South Africa Limited             |                                             |
| <b>South Korea</b>                | The Hongkong and Shanghai Banking Corporation Limited |                                             |
| <b>Spain</b>                      | Citibank Europe plc                                   |                                             |
| <b>Sri Lanka</b>                  | Standard Chartered Bank                               |                                             |
| <b>Sweden</b>                     | Skandinaviska Enskilda Banken AB (publ)               |                                             |
| <b>Switzerland</b>                | Credit Suisse (Switzerland) Ltd                       |                                             |
| <b>Taiwan</b>                     | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank (Taiwan) Limited                  |
| <b>Tanzania</b>                   | Standard Chartered Bank (Mauritius) Limited           | Standard Chartered Bank Tanzania Limited    |
| <b>Thailand</b>                   | Citibank N.A., Bangkok Branch                         |                                             |
| <b>Tunisia</b>                    | Union Internationale de Banques                       |                                             |
| <b>Turkey</b>                     | Citibank A.S.                                         |                                             |
| <b>United Arab Emirates (ADX)</b> | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited (DIFC) Branch |

|                                      |                                                                    |                                             |
|--------------------------------------|--------------------------------------------------------------------|---------------------------------------------|
| <b>United Arab Emirates (DFM)</b>    | The Hongkong and Shanghai Banking Corporation Limited              | HSBC Bank Middle East Limited (DIFC) Branch |
| <b>United Arab Emirates (NASDAQ)</b> | The Hongkong and Shanghai Banking Corporation Limited              | HSBC Bank Middle East Limited (DIFC) Branch |
| <b>Uganda</b>                        | Standard Chartered Bank Uganda Limited                             |                                             |
| <b>Ukraine (Market suspended)</b>    | JSC "Citibank"                                                     |                                             |
| <b>United Kingdom</b>                | Euroclear UK & International Limited (Northern Trust self-custody) |                                             |
| <b>United States</b>                 | The Northern Trust Company                                         |                                             |
| <b>Uruguay</b>                       | Banco Itau Uruguay S.A.                                            |                                             |
| <b>Vietnam</b>                       | The Hongkong and Shanghai Banking Corporation Limited              | HSBC Bank (Vietnam) Ltd                     |
| <b>West Africa (UEMOA)</b>           | Standard Chartered Bank (Mauritius) Limited                        | Standard Chartered Bank Cote d'Ivoire SA    |
| <b>Zambia</b>                        | Standard Chartered Bank Zambia PLC                                 |                                             |
| <b>Zimbabwe</b>                      | The Standard bank of South Africa Limited                          | Stanbic Bank Zimbabwe Limited               |